

Meeting No. 973

THE MINUTES OF THE BOARD OF REGENTS
OF
THE UNIVERSITY OF TEXAS SYSTEM

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November 18-19, 2003

Austin, Texas

MEETING NO. 973

TUESDAY, NOVEMBER 18, 2003.--The members of the Board of Regents of The University of Texas System convened this special called meeting at 10:05 a.m. on Tuesday, November 18, 2003, on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present*</u>	<u>Absent</u>
Chairman Miller, presiding	
Vice-Chairman Clements	
Vice-Chairman Hunt	
Regent Caven	
Regent Craven	
Regent Estrada	
Regent Huffines	
Regent Krier	
Counsel and Secretary Frederick	

*Vice-Chairman A. W. "Dub" Riter, Jr., died on September 23, 2003.

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Miller called the meeting to order.

1. U. T. Medical Branch - Galveston: Authorization to enter into lease agreement with City of Austin to operate a health facility for women (Austin Women's Hospital)

Chairman Miller reported that an additional item had been posted with the Secretary of State related to a proposed lease agreement between The University of Texas Medical Branch at Galveston and the City of Austin to operate a women's health facility. He said the item was deferred for consideration tomorrow (November 19, see Page 10).

2. U. T. System: Discussion of interim report related to Task Force on "Closing the Gaps" Capital Funding for Academic Institutions

On November 13, 2003, Chairman Miller appointed Vice-Chairman Hunt and Regent Krier to co-chair a Task Force on "Closing the Gaps" Capital Funding for Academic Institutions. He called on Vice-Chairman Hunt who made a PowerPoint presentation entitled "[Capital Planning Task Force Update](#),"

[Interim Report](#)", which is on file in the Office of the Board of Regents. Vice-Chairman Hunt said the final report of the Task Force will be prepared by mid-January 2004, after which a strategy would be developed to present the Task Force findings to the U. T. Board of Regents and to state leadership.

Mr. Hunt summarized the shortfall in capital funding by saying that under the most conservative assumption, the Permanent University Fund (PUF) and the Higher Education Assistance Fund (HEAF) could provide up to 20% of capital needs through 2015. Tuition revenue bonds could provide another 20%, which he said leaves a 60% gap in funding under conservative estimates. He reminded the Board that this discussion started at the August 6-7, 2003 Board meeting when approval of the Fiscal Year 2004-2009 Capital Improvement Program was considered, and the Board recognized that approximately 7% of construction was for academic buildings. He referenced a public opinion survey conducted in Spring 2003 that indicated from a public standpoint, The University of Texas System was not about research, nor auxiliary, but about participation and success, academics and delivering teaching to students. Considering revenue sources, where dormitories drive rents that help float bonds under the Revenue Financing System, and research projects drive research grants that can also pay for capital infrastructure, Mr. Hunt said that academic units do not drive revenue streams that are capable of supporting their infrastructure.

Vice-Chairman Hunt reviewed the purpose of the Task Force, which is to consider ways to close the gaps in capital funding considering projected enrollment growth. Reviewing the history of the PUF from 1990, Mr. Hunt said PUF funds were only available 2 years out of 10 in that decade and in this decade, PUF funds were available the first year and a half. He said the PUF has essentially been closed since then. Looking at tuition revenue bonds, he said there is a window that opens every four years, every other legislative session, that generally allocates a project to an institution and he questioned if, structurally at the committee level, this is an efficient, productive way to deal with capital needs. He cited an alternative, which is to develop a system that allocates dollars where needed, when needed, as opposed to the scenario where, when capital markets are right or when the legislature meets every four years, perhaps the PUF can provide financing. He cited this as an approach that does not necessarily deliver dollars when needed to the project that is most needed that could have the highest payoff for the state.

Vice-Chairman Hunt said the Task Force models will look at which component institution has the space and student growth, look at where income is distributed in terms of capacity for alternative sources, and try to deliver a model that can be taken to the state that will be a more efficient way of delivering the capital needs to close the gaps.

Mr. Hunt thanked Regent Krier for co-chairing the committee and thanked other committee members for their work. Regent Krier stressed the report is a draft and welcomed input before the final report is prepared.

Chairman Miller and Chancellor Yudof commended Regent Hunt and Regent Krier for their work on the Task Force, saying it is critically important to close the gaps for Hispanic, African-American, or low-income citizens, and for all Texans.

3. U. T. System: Discussion and approval of tuition and fee plans and approval of process for expenditure of funds collected

House Bill 3015 passed by the Texas Legislature during the 78th Regular Session modified Texas Education Code Section 54.0513 to grant authority to boards of regents to set an appropriate charge to students designated as tuition (Designated Tuition) in addition to tuition rates set by the Legislature and other charges set by boards of regents as previously authorized. The statutory changes also gave boards of regents increased latitude to implement innovative charge structures.

Chairman Miller began the discussion regarding proposed tuition and fee plans for The University of Texas System by reading the following statement:

Today the Board of Regents undertakes some of the most serious and far-reaching deliberations in its history.

Later today, and continuing tomorrow, we will have the honor of conducting interviews with finalists for the presidency of U. T. Arlington. The selection of chief executive officers for the System campuses is, of course, one of this Board's highest duties, and I know all members of the Board share my sense that the appointment of campus presidents is a tremendous responsibility, requiring careful consideration, thoughtful judgment, and a weighing of many factors. We have two more searches that are on our agenda for the next few months: U. T. Dallas and U. T. Pan American. We face those with optimism and high expectation.

Recently, we appointed Regent Scott Caven to head a Task Force on Admissions, Tuition, and Financial Aid. Although we are still fine-tuning the mission and the Task Force, the mission of the Task Force will be to:

- (1) develop strategies which bring together admissions, tuition, and financial aid policies in a comprehensive policy unit for the Board to enhance recruitment, enrollment, retention, and

graduation of The University of Texas System students while focusing on admissions, tuition, and financial aid. Tuition and financial aid discussions will be held today, but in the context of all of these, we are going to continue to study them.

- (2) structure the long-term processes under which the Board of Regents of The University of Texas System develops its admissions, tuition, and financial aid policies.

We've always had responsibility for admissions and have delegated a lot of that to the campuses, but we are now given the responsibility of tuition and fees; that is new, and we will set up a process to determine how to do that on a continual basis.

For several years, intensifying upon the appointment of Chancellor Yudof, the U. T. System has been developing a Higher Education Accountability System. The accountability system is designed for policymakers, including us with others also, to analyze and judge performance of our education institutions in any area of their activities. Our goal is to make it the best in the country.

Several months ago, the Board of Regents formed a Task Force, headed by Regents Woody Hunt and Cyndi Krier, to identify and analyze the infrastructure needs at institutions of higher education in Texas. You heard the first part of that output; I think that will be a tremendous contribution to the discussion and debate in Texas higher education.

For over four years, The University of Texas has been engaged in a "K-16 Initiative", recently enhanced under the banner "Every Child, Every Advantage". The Initiative attempts to organize and focus all of the resources of the U. T. System on preparing more students in public schools in Texas for college and especially "closing the gaps" in the underserved populations.

The University of Texas System has been a leader on higher education issues. We welcome and encourage setting a high priority on Texas colleges and universities, an essential step for a successful future.

The responsibility of setting tuition and fees has been handed to the Board of Regents. It is an important duty, and we accept it with the most serious intent. Ever since receiving that responsibility, many people have been hard at work developing the proposals we will hear today. We thank them for their seriousness, their diligence, their integrity, and their skill. We appreciate their contributions.

Chairman Miller then called on Chancellor Yudof who opened by saying that six months ago, when the Legislature expressed confidence in The University of Texas System by granting authority to set tuitions to the Board of Regents, the University committed to undertake that new responsibility in an open, inclusive, transparent, and accountable manner. Chancellor Yudof said the tuition plans, which were developed at each component institution through a highly consultative process, are a model not only for Texas but a model across the country. He said last spring, the University decided to postpone any consideration of tuition until the fall semester to ensure students had an opportunity to participate in the process. He clarified that rates did not increase in September 2003, unlike most all other university systems in the state.

He made a PowerPoint presentation entitled "[Tuition](#)", which is on file in the Office of the Board of Regents, and he referenced the U. T. System Web site that includes tuition and fee plans for Spring 2004 and Academic Year 2004-2005 from each campus as well as staff analyses of each proposal (<http://www.utsystem.edu/news/tuition/>). (The [proposals](#) are also available in the Office of the Board of Regents.)

Chancellor Yudof said considering the 178,000 University students, as well as parents and family members, and 88,000 employees, over half of whom are employed in the medical institutions, there are important issues of diversity and opportunity to keep in mind. He said no student should be denied educational opportunity based on financial need. Special efforts would be undertaken to provide scholarship, grants, and other aid. He was candid in saying that in terms of accessibility and affordability, currently 30% of the University's students receive grants and scholarships (not loans) covering the full cost of tuition and fees.

Chancellor Yudof said tuition deregulation was passed in the light of a severe budget crisis and asked that this context not be forgotten. He said tuition deregulation or Board flexibility is the right public policy decision, but the context should not be forgotten, nor the fiduciary obligation of the Board of Regents. He stressed the reality of the budget cuts and said he believes this reality was understood by members of the Legislature, by public policy leaders, and, he believes, by the students of the U. T. System component institutions. Chancellor Yudof emphasized that if the University is to maintain the quality of education, which is as important as access and research and any other goal, significant tuition increases are necessary. He reviewed the budget reductions that the component institutions and U. T. System Administration undertook for Fiscal Year 2003 and said that despite the cuts, enrollment has increased. The Chancellor reviewed in general where the money will go: to hire additional faculty and maintain current faculty, to academic and financial advisors, and to renovate classrooms. He said students have elected to support better education rather than cheaper education and that the majority of students who participated in the process are supportive of maintaining the quality of education. He said the quality of

the higher education institutions of U. T. System will not be allowed to decline for lack of appropriate public support. In closing, Chancellor Yudof said State officials and the people of Texas will see that the University has acted in a responsible fashion, ensuring an affordable, accessible education of the highest possible quality.

Chancellor Yudof then called on Executive Vice Chancellor Sullivan and Acting Executive Vice Chancellor Guckian for brief remarks. Dr. Guckian called on Mr. Jonathan Moody, a Ph.D. candidate at The University of Texas Southwestern Medical Center at Dallas, who explained the student population approved the increases, which are smaller than increases in the past few years. Dr. Sullivan then asked the following presidents and presidents of the student body at each academic component institution to speak. In general, the speakers spoke to the open, extensive, and inclusive consultative process; the creative aspects of the proposals; financial elements including financial aid and how the proposal will help the institution; and the need to maintain a quality education.

President ad Interim Sorber, Mr. Josh Warren
(The University of Texas at Arlington)
President Faulkner, Mr. Brian Haley
(The University of Texas at Austin)
President García, Mr. Edward Camarillo
(The University of Texas at Brownsville)
President Jenifer, Mr. Ryan Davidson
(The University of Texas at Dallas)
President Natalicio, Mr. Gbenga Asedeko
(The University of Texas at El Paso)
President Nevárez, Mr. Francisco “Paco” Vielma
(The University of Texas - Pan American)
President Watts, Mr. Luis Galvan
(The University of Texas of the Permian Basin)
President Romo, Mr. Roger Garza
(The University of Texas at San Antonio)
President Mabry, Mr. Ryan Palmquist
(The University of Texas at Tyler)

Chairman Miller congratulated the leadership at the campuses and expressed appreciation for the opinions expressed. He called on Vice-Chairman Hunt to introduce Senator Eliot Shapleigh, El Paso, Texas, who made a PowerPoint presentation entitled [“Don’t Tax Me, Don’t Tax Thee, Tax The Student Behind the Tree”](#). (Senator Shapleigh’s presentation is on file in the Office of the Board of Regents). Senator Shapleigh said the core issue is a tax system that meets the needs of education. Chairman Miller thanked Senator Shapleigh for his interest and dedication to higher education and to public education.

Dr. Sullivan addressed graduate and professional school tuition, reported on the U. T. System Commission on Tuition, and provided the following recommendations developed by the staff of the Office of Academic Affairs following review of the tuition proposals:

1. each campus should consider appointing a financial aid ombudsperson designated to students;
2. campuses should consider implementation of a 14-hour tuition cap;
3. ask campuses besides U. T. El Paso that has already implemented such a program to consider a textbook loan fund and report back to the Chancellor on its feasibility;
4. report at the end of Spring 2004 concerning how the lowest income students were covered, if there is additional tuition charged them in Spring 2004; and
5. report on new student jobs created.

(Dr. Sullivan's [presentation](#) is on file in the Office of the Board of Regents.)

Vice-Chairman Hunt then provided an historical perspective as follows:

Looking at the last 20 years, state spending for higher education as a percentage of total state spending has gone down. If you look at state spending on higher education over the last 20 years as a percentage of state personal income, it has gone down over that 20-year period of time. If you go back 20 years and compare private to public higher education 20 years ago on a full-time equivalent basis, total education was spending at 78% of private; today it is 58%. To me, this is an issue of quality and competitiveness. If we are not prepared to stop that decline, and invest in public education, then we are going to lose those who have the ability to pay are going to make the logical choice and go to private education. We cannot wait until that happens because if we do we will have an unequal funding situation that will look much like an inter-city school versus a suburban school district. We will have a largely income-impaired student population and we will have lost those that have the most resources and like many of the best private schools in this country who charge the highest tuition in this country and then reallocate a significant percentage of that to those who cannot afford to be there and yet they provide the highest possible quality of education and their spending on a full-time equivalent basis is much higher than what we are able to afford. The legislature, in my view, gave us a choice between quality and competitiveness and trying to keep

those that can afford so that we can reallocate some of their tuition to those who cannot afford, or the option of that is not to raise tuition and have a declining quality and lose our ability to compete over time.

Following further discussion, Chancellor Yudof commented on the timing of tuition increases and called on President Faulkner and President ad Interim Sorber to address the consequences of delaying tuition increases.

Dr. Faulkner ranked the consequences as follows: compensation, additional faculty to improve the student/faculty ratio, and preservation of facilities.

Dr. Sorber said that nonimplementation of the proposal will impact building back the bonding capacity of the institution for construction. In addition, new faculty will not be hired.

Regent Huffines thanked the many people who worked on the tuition and fee plans over the past six months and said the plans have been inclusive, fair, and responsible, and he applauded the U. T. System Chancellor for “doing it right”. He speculated that U. T. will be the model for tuition increases for the rest of the country. Mr. Huffines also made the following statement:

The Board of Regents is deeply grateful to Governor Rick Perry, Lieutenant Governor David Dewhurst, and Speaker Tom Craddick for their strong support for tuition deregulation during the 78th Session of the Texas Legislature.

We are also appreciative of the strong support provided by Senator Florence Shapiro, Chair of the Senate Education Committee, and Representative Geanie Morrison, Chair of the House Higher Education Committee.

These state leaders, and many others, provided the insight and guidance that shaped the tuition deregulation law, which gives Texas universities the flexibility to make decisions that will strengthen our institutions, maintain affordability, and provide the resources needed to maintain and enhance the quality of academic programs.

Upon motion of Regent Huffines, seconded by Regent Estrada, the Board unanimously approved the following motion:

I move approval of the U. T. System academic and health institutions' tuition and fee plans as presented by the presidents, with modifications as recommended by the Chancellor, to be effective today for the Spring Semester 2004.

I further move approval of the tuition and fee plans for Academic Year 2004-2005, as recommended by the Chancellor. This approval is effective January 23, 2004, in order to allow time to receive final input from the general public, legislators, and other policymakers.

I further move that any expenditure funded by the assessment and collection of tuition and fees approved by the Board on November 18, 2003, be subject to review and approval by the Chancellor, unless the expenditure was included in the Fiscal Year 2004 budget, which was adopted in August 2003 or is approved in a later annual budget.

In addition, budget modifications requiring Board approval under current budget rules and procedures will require submission to the Board via the Docket or Agenda.

Regent Krier said the January 23 date will allow time for campuses to make corrections and provide time and opportunities to respond to the Legislative Oversight Committee on Higher Education as part of the tuition deregulation bill that was passed regarding affordability, student access, and availability.

Counsel and Secretary's Notes:

1. Tuition rates as authorized by this action are as attached on Pages 9a – 9i, which were included in the Tuition and Fee Plans for Spring 2004 and for Academic Year 2004-2005 as before the Board in the Agenda materials.
2. See specific approval of tuition for the U. T. Austin School of Law for Academic Year 2005-2006 in the Minutes of the December 19, 2003 meeting of the U. T. Board of Regents.

RECESS TO EXECUTIVE SESSION.--Following a press conference, Chairman Miller announced at 2:45 p.m. that the Board would recess to convene in Executive Session pursuant to Texas Government Code Section 551.074 to interview and discuss the credentials of the following recommended candidates for the position of President of The University of Texas at Arlington. (See Page 11 regarding two other candidates interviewed on November 19. A fifth candidate, Dr. Robert V. Smith, had earlier withdrawn his candidacy.)

Dr. Arthur C. Vailas

Dr. Roderick J. McDavis

RECESS.--At 6:10 p.m., Chairman Miller announced that the Board would recess to reconvene in open session at 9:00 a.m. on Wednesday, November 19, 2003, on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas.

5. Baseline (Fall 2003) tuition and proposed changes in tuition.

a. Baseline Data

	Tuition	Avg. Fees	Total
Resident			
UG 12 sch	\$1,104	748	\$1,852
Grad 9 sch	\$1,242	586	\$1,828
Non-resident			
UG 12 sch	\$3,936	813	\$4,749
Grad 9 sch	\$3,483	651	\$4,134

b. Proposed Spring 2004 changes

Additional Designated Tuition charge per SCH			
	All lower & upper division, & grad. except Nursing & Engineering	% Increase	Total
Resident			
UG 12 sch	120	6.48%	\$1,972
Grad 9 sch	90	4.92%	\$1,918
Non-resident			
UG 12 sch	120	2.53%	\$4,869
Grad 9 sch	90	2.18%	\$4,224
	Engineering & Nursing upper division & grad.	% Increase	Total
Resident			
UG 12 sch	240	12.96%	\$2,092
Grad 9 sch	180	9.85%	\$2,008
Non-resident			
UG 12 sch	240	5.05%	\$4,989
Grad 9 sch	180	4.35%	\$4,314
	Engineering Grad.	% Increase	Total
Resident			
UG 12 sch			
Grad 9 sch	270	14.77%	\$2,098
Non-resident			
UG 12 sch			
Grad 9 sch	270	6.53%	\$4,404

	<u>Fall 2003</u>	<u>Proposed Spring 2004</u>	<u>% Change from Fall 2003</u>	<u>Proposed Fall 2004 and Spring 2005</u>	<u>% Change from Sp 2004</u>	<u>% Change from Fall 2003</u>
Designated tuition	690	690		690		
Academic Sustainability Tuition	0	360		720		
Statue fee	0	2		2		
Required and college/course fees	1334	1334		1374		
Total: tuition and fees	2714	3076	13.3%	3506	14.0%	29.2%

Graduate

Statutory tuition	414	414		432		
Designated tuition	414	414		414		
Differential tuition	414	414		414		
Academic Sustainability Tuition	0	360		720		
Statue fee	0	2		2		
Required and college/course fees	904	904		931		
Total: tuition and fees	2146	2508	16.9%	2913	16.2%	35.7%

Pharmacy - Pharm D.

Statutory tuition	736	736		736		
Designated tuition	736	736		736		
Differential tuition	1472	1472		1472		
Academic Sustainability Tuition	0	360		720		
Statue fee	0	2		2		
Required and college/course fees	1019	1019		1050		
Total: tuition and fees	3963	4325	9.1%	4716	9.0%	19.0%

Non-resident Students - Continuing from Spring 2004

Undergraduate

LA

Flat rate	5812	5812		5849		
Academic Sustainability Tuition	0	400		800		
Statue fee	0	2		2		
Total: tuition and fees	5812	6214	6.9%	6651	7.0%	14.4%

NS

Flat rate	5972	5972		6013		
Academic Sustainability Tuition	0	400		800		
Statue fee	0	2		2		

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5. Baseline (Fall 2003) tuition and proposed changes in tuition.

A. Baseline data: Fall 2003 tuition, statutory and designated, and fees, for the following groups:

Fall 2003

UNDERGRADUATE 12 hrs		Tuition*	Required Fees	Total
Resident	\$	936.00	\$ 256.56	\$ 1,192.56
Non Resident	\$	3,768.00	\$ 256.56	\$ 4,024.56

*Tuition includes a designated tuition of \$32.00/sch

GRADUATE 9 hrs		Tuition**	Required Fees	Total
Resident	\$	828.00	\$ 211.56	\$ 1,039.56
Non Resident	\$	2,952.00	\$ 211.56	\$ 3,163.56

**Tuition includes a graduate differential flat fee of \$14.00 and designated tuition of \$32.00/sch

B. Proposed Spring 2004 changes, if any? We propose no changes for Spring 2004.

C. Proposed 2004-2005 changes:

Fall 2004

UNDERGRADUATE 12 hrs		Tuition*	Required Fees**	Total	
Resident	\$	1,032.00	\$ 346.56	\$ 1,378.56	16%
Non Resident	\$	3,840.00	\$ 346.56	\$ 4,186.56	4%

*Tuition includes a designated tuition of \$38.00/sch

**Required Fees include Computer Use Fee \$10/sch, Records Fee \$10/sem, and Advising Fee \$25/semester

GRADUATE 9 hrs		Tuition*	Required Fees**	Total	
Resident	\$	900.00	\$ 286.56	\$ 1,186.56	14%
Non Resident	\$	2,952.00	\$ 286.56	\$ 3,238.56	2%

*Tuition includes a graduate differential flat fee of \$14.00 and designated tuition of \$38.00/sch

**Required Fees include Computer Use Fee \$10/sch, Records Fee \$10/sem, and Advising Fee \$25/sem

5. Fall 2003 baseline and proposed changes in tuition

A. Baseline data: Fall 2002 and Fall 2003 Statutory and Designated Tuition and average fees.

	Undergraduate Resident	Undergraduate Non-resident	Graduate Resident	Graduate Non-resident
Fall 2002				
Statutory tuition / 1 SCH	\$44.00	\$262.00	\$88.00	\$306.00
Statutory tuition / 12 SCH	\$528.00	\$3,144.00	\$792.00	\$2,754.00
Designated tuition / 1 SCH	\$44.00	\$44.00	\$44.00	\$44.00
Designated tuition / 12 SCH	\$528.00	\$528.00	\$396.00	\$396.00
Average Fees / 12 SCH	\$911.40	\$911.40	\$683.40	\$683.40
Average total cost / 12 SCH	\$1,967.40	\$4,583.40	\$1,871.40	\$3,833.40
Fall 2003				
Statutory tuition / 1 SCH	\$46.00	\$282.00	\$92.00	\$328.00
Statutory tuition / 12 SCH	\$552.00	\$3,384.00	\$828.00	\$2,952.00
Designated tuition / 1 SCH	\$46.00	\$46.00	\$46.00	\$46.00
Designated tuition / 12 SCH	\$552.00	\$552.00	\$414.00	\$414.00
Average Fees / 12 SCH	\$1,036.40	\$1,036.40	\$739.40	\$739.40
Average total cost / 12 SCH	\$2,140.40	\$4,972.40	\$1,981.40	\$4,105.40
\$ increase: Fall 03 - Fall 02	\$173.00	\$389.00	\$110.00	\$272.00
% increase: Fall 03 / Fall 02	8.79%	8.49%	5.88%	7.10%

B. Proposed Spring 2004 changes

	Undergraduate Resident	Undergraduate Non-resident	Graduate Resident	Graduate Non-resident
Spring 2004				
Statutory tuition / 1 SCH	\$46.00	\$282.00	\$92.00	\$328.00
Statutory tuition / 12 SCH	\$552.00	\$3,384.00	\$828.00	\$2,952.00
Designated tuition / 1 SCH	\$66.00	\$66.00	\$66.00	\$66.00
Designated tuition / 12 SCH	\$792.00	\$792.00	\$594.00	\$594.00
Average Fees / 12 SCH	\$1,036.40	\$1,036.40	\$739.40	\$739.40
Average total cost / 12 SCH	\$2,380.40	\$5,212.40	\$2,161.40	\$4,285.40
\$ increase: Spring 04 - Fall 02	\$413.00	\$629.00	\$290.00	\$452.00
\$ increase: Spring 04 - Fall 03	\$240.00	\$240.00	\$180.00	\$180.00
% increase: Spring 04 / Fall 02	20.99%	13.72%	15.50%	11.79%
% increase: Spring 04 / Fall 03	11.21%	4.83%	9.08%	4.38%

5. BASELINE (FALL 2003) TUITION AND PROPOSED CHANGES IN TUITION

- A. Baseline data: Fall 2003 tuition, statutory and designated, and average fees, for the following groups:

resident

undergraduate \$1,483 *(based on 12 semester credit hours)*
graduate \$1,136 *(based on 9 semester credit hours)*

non-resident

undergraduate \$4,340 *(based on 12 semester credit hours)*
graduate \$3,285 *(based on 9 semester credit hours)*

Differential tuition is assessed on graduate programs in Engineering, Business, Health Science and Science at \$28/sch for residents and \$20/sch for non-residents.

- B. Proposed Spring 2004 changes, if any

Type of change – increase semester credit hour rate for designated tuition

Dollar amount of change - \$18/sch

Percentage change in average total tuition and fees, compared with baseline data is 15% for resident undergraduate, 14% for resident graduate and 5% for non-resident undergraduate and graduate.

resident

undergraduate \$1,699 15% increase over baseline
(based on 12 semester credit hours)
graduate \$1,298 14% increase over baseline
(based on 9 semester credit hours)

non-resident

undergraduate \$4,556 5% increase over baseline
(based on 12 semester credit hours)
graduate \$3,447 5% increase over baseline
(based on 9 semester credit hours)

No increases are proposed in field-specific differentials at this time.

- C. Proposed 2004-2005 changes, if any

Type of change – increase semester credit hour rate for designated & statutory tuition

Dollar amount of change - \$14/sch – designated tuition and \$2/sch – statutory tuition

Percentage change in average total tuition and fees, compared with baseline data is 28% for resident undergraduate, 27% for resident graduate and 9% for non-resident undergraduate and graduate.

Baseline Data, Fall 2003 (fiscal year 2004, September 1, 2003)

	Statutory & Board Authorized Tuition		Designated Tuition		Average Mandatory Fees Total *	Total * Tuition & Fees
	Rate	Total *	Rate	Total *		
Resident						
Undergraduate	\$46	\$552	\$32	\$384	\$297.00	\$1,233.00
Graduate	\$66	\$594	\$32	\$288	\$236.25	\$1,118.25
Non-Resident						
Undergraduate	\$282	\$3,384	\$32	\$384	\$297.00	\$4,065.00
Graduate	\$302	\$2,718	\$32	\$288	\$236.25	\$3,242.25

* Totals are based on 12 hours of undergraduate and 9 hours of graduate course loads.

Proposed Spring 2004

<<NO CHANGES>>

Proposed Fall 2004 (fiscal year 2005; September 1, 2004)

	Statutory & Board Authorized Tuition		Designated Tuition		Average Mandatory Fees Total *	Total * Tuition & Fees	% Change in Total Tuition & Fees
	Rate	Total *	Rate	Total *			
Resident							
Undergraduate	\$48	\$576	\$38	\$456	\$297.00	\$1,329.00	8%
Graduate	\$68	\$612	\$38	\$342	\$236.25	\$1,190.25	6%
Non-Resident							
Undergraduate	\$282 **	\$3,384	\$38	\$456	\$297.00	\$4,137.00	2%
Graduate	\$302 **	\$2,718	\$38	\$342	\$236.25	\$3,296.25	2%

* Totals computed at 12 hours for Undergraduates and 9 hours for Graduates

** The Non-Resident Tuition Rate, which is set by the Coordinating Board, is not known at this time. The Calculation for total tuition and fees is based on Fall 2003 rates.

Other Initiatives—Flat Fees at 14 SCHs

UTPA is proposing a flat fee at 14 hours for Designated Tuition and Mandatory Fees. Charges would be capped at 14 hours (with the exception of statutory tuition which is set by the state and cannot be capped) to encourage students to increase their course load and thus reduce their time-to-degree. The existing cap of 18 SCHs on the number of hours a student can enroll for (an override by academic advisors does allow for flexibility) will keep students from committing to a course load that they might not be able to handle.

The University of Texas of the Permian Basin
 Tuition Proposal
 2004-2005

graduate	(9 credits)	\$1,302.50
non-resident		
undergraduate	(12 credits)	\$4,286.00
graduate	(9 credits)	\$3,300.50
any field-specific differentials (e.g., differential tuition for law, business, pharmacy)		

C. Proposed 2004-2005 changes, if any

Type of change (e.g., per SCH, flat fee, etc.): Per SCH
 dollar amount of change: +\$9, = +\$7 designated tuition, +\$2 statutory tuition
 percentage change in average total tuition and fees,
 compared with baseline data: 11.04%
 and with changes in 4B: 6.82%

resident		
undergraduate	(12 credits)	\$1,562.00
graduate	(9 credits)	\$1,383.50
non-resident		
undergraduate	(12 credits)	\$4,370.00
graduate	(9 credits)	\$3,363.50
any field-specific differentials (e.g., differential tuition for law, business, pharmacy)		

D. Any other changes proposed (e.g., for summer session): None. The Summer increase is the same as the Spring 2004 increase.

6. Estimated changes in institutional revenue in Spring 2004 resulting from these changes, and intended spending plans (e.g., to hire additional faculty; to pay graduate instructor stipends, etc.)

Estimated changes in institutional revenue:
 \$5.00 per SCH for 31,000 SCH = \$155,000.

Intended spending plans:

The revenues generated from the tuition increase will be used for two major expense items, improved advising and increased departmental M&O budgets. An additional academic counselor will be added to the Academic Advising Office bringing the number of general advising staff FTE to 2.5. This will improve the timeliness for access to an advising staff member.

Departmental operating budgets pay for instructional supplies used in the classroom. These budgets have not been increased in three years and are not adequate for the current size of the student body.

7. Estimated changes in institutional revenue in 2004-2005 resulting from these changes, and intended spending plans

Estimated changes in institutional revenue:
 \$9.00 per SCH for 70,500 SCH = \$634,500.

Baseline (Fall 2003) Tuition and Proposed Changes in Tuition

	Statutory Tuition	Designated Tuition	Mandatory Fees	TOTAL	% Change from Fall 03
Fall 2003 (Baseline)					
Resident					
Undergraduate (12 hours)	552	552	631	1,730	
Graduate (9 hours)	414	***828	516	1,753	
Non-Resident					
Undergraduate (12 hours)	3,384	552	631	4,562	
Graduate (9 hours)	2,538	***2,952	516	6,001	
Spring 2004					
Resident					
Undergraduate (12 hours)	552	732	631	1,910	10%
Graduate (9 hours)	414	***963	516	1,888	8%
Non-Resident					
Undergraduate (12 hours)	3,384	732	631	4,742	4%
Graduate (9 hours)	2,538	***3,087	516	6,136	2%
Fall 2004					
Resident					
Undergraduate (12 hours)	*576	912	***631	2,165	25%
Graduate (9 hours)	*432	**1,098	***516	2,082	19%
Non-Resident					
Undergraduate (12 hours)	*3,408	912	***631	4,997	10%
Graduate (9 hours)	*2,556	**3,222	***516	6,330	5%

- * Statutory tuition increasing by \$2 per SCH effective Fall 2004
- ** Includes graduate incremental tuition; note: this has not been determined for 2004-05
- *** Fees for FY05 have yet to be determined. Advisory groups will determine any changes.

B. Proposed Spring 04 Changes (Amount, Dollar Increase)

Resident	Statutory	Designated	Required Fees
Undergraduate	\$46 SCH NC	\$52 SCH + \$6	\$332 (12 SCH) NC

Example: An undergraduate student who is taking 12 SCH currently has a tuition and required fee payment of \$1,436 per semester (not including course fees and optional fees). The Spring 04 increase of \$6 in designated tuition will require the student to pay an additional \$72, or a total of \$1,508, a 5% increase in overall tuition and fees, but only a 1% increase in overall cost of attendance.

Graduate	\$46 SCH NC	\$52 SCH + \$6	\$278 (9 SCH) NC
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Example: A graduate student who is taking 9 SCH currently has a tuition and required fee payment of \$1,106 per semester (not including course fees and optional fees). The Spring 04 increase of \$6 in designated tuition will require the student to pay an additional \$54, or a total of \$1,160, a 4.9% increase in overall tuition and fees, but less than a 1% in overall cost of attendance.

Non-resident	Statutory	Designated	Required Fees
Undergraduate	\$282 SCH NC	\$52 SCH + \$6	\$332 (12 SCH) NC
Graduate	\$282 SCH NC	\$52 SCH + \$6	\$278 (9 SCH) NC

WEDNESDAY, November 19, 2003.--The members of the Board of Regents of The University of Texas System reconvened at 9:15 a.m. on Wednesday, November 19, 2003, on the Ninth Floor, Ashbel Smith Hall, 201 West Seventh Street, Austin, Texas, with the following in attendance and absent:

ATTENDANCE.--

<u>Present*</u>		<u>Absent</u>
Chairman Miller, presiding	Regent	Huffines
Vice-Chairman Clements		
Vice-Chairman Hunt		
Regent Caven		
Regent Craven		
Regent Estrada		
Regent Krier		

Counsel and Secretary Frederick

(Regent Krier joined the meeting after vote on Item 1 below.)

*Vice-Chairman A. W. "Dub" Riter, Jr., died on September 23, 2003.

Chairman Miller announced a quorum present and called the meeting to order.

1. U. T. Medical Branch - Galveston: Authorization to enter into lease agreement with City of Austin to operate a health facility for women (Austin Women's Hospital)

Chairman Miller reported that the item related to a proposed lease agreement between The University of Texas Medical Branch at Galveston and the City of Austin to operate a women's health facility that was deferred yesterday (November 18, see Page 1) would now be considered. This matter was discussed at the Health Affairs Committee meeting on November 12, 2003, provisions of the lease were revised in response to those discussions, and the Agenda Item was sent to members of the Board in advance of the meeting and was available on yellow paper.

President Stobo thanked the members of the Board for their input on this contract and expressed particular appreciation to Regent Krier for her assistance, saying the financial arrangement was better due to her help. Dr. Stobo said the risk of operating a hospital within a hospital is acceptable since the educational environment will be controlled by U. T. Medical Branch - Galveston.

Upon motion of Vice-Chairman Clements, duly seconded, the Board unanimously approved the lease for the Austin Women's Hospital subject to final review and approval by the Chancellor. Regent Craven expressed accolades to President Stobo and to U. T. Medical Branch - Galveston for the work the institution has done across the state for many years. Regent Krier also thanked Dr. Stobo for his efforts on the project.

The 12-bed acute care hospital facility, which will be known as the U. T. Medical Branch - Austin Women's Hospital, will be located on the fifth floor of the City-owned hospital known as Seton/Brackenridge Hospital. An ordinance approved by the Austin City Council authorizes the City's negotiation, execution, and delivery of the lease agreement with U. T. Medical Branch - Galveston (including the assignment of inventory).

U. T. Medical Branch - Galveston has a long history of addressing the needs of the medically underserved and in managing a hospital with particular emphasis on serving the special needs of women and children. The institution currently operates 39 Regional Maternal and Child Health Clinics. The services U. T. Medical Branch - Galveston will provide through the Austin Women's Hospital will be the same as those performed throughout its hospitals and clinics and by other health-care systems in this state.

Most recently, U. T. Medical Branch - Galveston presented its plan for an Austin-based U. T. Medical Branch - Galveston Obstetrics/Gynecology residency program, and operating the Austin Women's Hospital will be essential to the development of this program.

RECESS TO EXECUTIVE SESSION.--At 9:20 a.m., Chairman Miller announced that the Board would recess to convene in Executive Session pursuant to Texas Government Code Sections 551.071 and 551.074 to consider matters listed on the Executive Session agenda including the interview and discussion of credentials of the following recommended candidates for the position of President of The University of Texas at Arlington. (See Page 9 regarding two other candidates interviewed on November 18.)

Mr. James D. Spaniolo

Dr. Peter S. Hoff (Dr. Hoff withdrew his candidacy from consideration prior to the final vote.)

RECONVENE.--At 1:40 p.m., the Board reconvened in open session for action on matters considered in Executive Session.

EXECUTIVE SESSION OF THE BOARD OF REGENTS

Chairman Miller reported that the Board met in Executive Session to discuss matters in accordance with Texas Government Code Sections 551.071 and 551.074. In response to an inquiry from Chairman Miller regarding the wishes of the Board, the following action was taken:

1. U. T. Arlington: Selection of Mr. James D. Spaniolo as President

Regent Craven moved that Mr. James D. Spaniolo, Esquire, currently Dean of the College of Communication Arts and Sciences at Michigan State University, be selected President of The University of Texas at Arlington effective at a date and compensation, commensurate with the responsibilities of the office, to be negotiated in accordance with University of Texas System policies by Executive Vice Chancellor Sullivan, approved by Chancellor Yudof, and submitted to the Board for approval via the usual budgetary procedures.

Dr. Craven further moved that the Board find, as required by State law, that this appointment is in the best interest of U. T. Arlington.

The motions carried unanimously.

2. U. T. System: Consideration of personnel matters relating to appointment, employment, evaluation, assignment, and duties of officers or employees

No action was taken related to appointment, employment, evaluation, assignment, and duties of officers or employees at The University of Texas System.

3. U. T. System: Consideration of personnel matters relating to evaluation of presidents, U. T. System Executive Officers, and employees

No action was taken related to evaluation of presidents, Executive Officers, and employees at The University of Texas System.

ADJOURNMENT.--Chairman Miller announced that the purpose for which this meeting was called had been completed, and the meeting was duly adjourned at 2:05 p.m.

/s/
Counsel

Francie A. Frederick
and Secretary to the Board

January 14, 2004