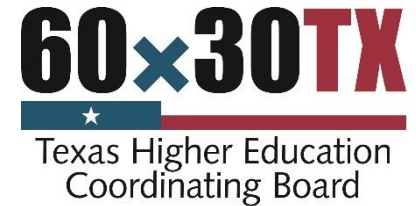


# OVERVIEW: TUITION DEREGULATION AND TUITION SET ASIDES



DECEMBER 2016

## BACKGROUND

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Prior to 2003, the Texas Legislature had the regulatory authority to set tuition rates, generally mandating that the same statutory and designated tuition rate be charged across the state. In 2003, the 78th Legislature passed House Bill (HB) 3015, amending Texas Education Code §54.0513 to allow governing boards of public universities to set different designated tuition rates. Tuition deregulation became effective September 1, 2003, and universities began increasing designated tuition in spring 2004.

## FREQUENTLY ASKED QUESTIONS

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### What are the different types of tuition charged to students enrolled at a public university?

There are three types of tuition:

**Statutory Tuition:** An amount of tuition set in statute (Texas Education Code §54.051) that institutions must charge resident or nonresident undergraduate students. Currently, the university rate is set at \$50 per semester credit hour (SCH) for resident students, with higher rates for nonresident students. Effectively, statutory tuition mandates a minimum amount of tuition to be charged per SCH, although students qualifying for certain statutorily defined tuition exemptions may be charged less or nothing at all.

**Designated Tuition:** Texas Education Code §54.0513 authorizes institutions of higher education other than public community colleges to impose on any undergraduate or graduate, resident or nonresident student, an additional tuition charge (i.e. in addition to statutory tuition) that the governing board of the institution considers necessary for the effective operation of the institution. This rate varies by institution.

In 2003 the 78th Texas Legislature passed House Bill (HB) 3015, allowing governing boards of public universities to set different designated tuition rates. There is no upper limit on the amount of designated tuition that a university may charge and the amounts may vary by program, course level, and academic period.

**Board Authorized Tuition:** A tuition charge authorized under Texas Education Code §54.008 for graduate programs. Institutions can set tuition at rates at least twice that of undergraduate tuition, and can set different rates among programs.

## What other academic charges are paid by students?

In addition to statutory and designated tuition charges, all students are assessed certain fees:

**Mandatory Fees** are authorized by statute or by the governing board of an institution, and are charged to a student upon enrollment to provide services available to every student. Examples of such fees are library and laboratory fees, course and incidental fees collected under Texas Education Code §55.16(c), and other mandatory fees as authorized by the governing board of the institution.

**Course Fees** are mandatory fees required of all students enrolled in a particular course, such as materials for a chemistry lab, or a discretionary fee required of students in a given course, or for students participating in a special activity, such as a parking fee. This includes fees for state funded continuing education courses.

**Total Academic Charges** are the total of all tuition, mandatory, and course fee charges for a student taking a given number of SCHs. It does not include textbook or other education related costs not directly tied to institutional charges.

## How much have tuition and fees increased since tuition deregulation?

From fall 2003 through fall 2015, the statewide average total academic charges for a student taking 15 SCHs at a public university has increased 119 percent (70 percent when adjusted for inflation).

## How are universities held accountable for deregulated tuition?

The Legislature provided that, as a condition of tuition deregulation, each university shall make satisfactory progress towards the goals provided in its master plan for higher education as well as the state's plan for higher education. HB 3015 and section 54.0515 require each university to meet acceptable performance criteria, including measures such as graduation rates, retention rates, enrollment growth, educational quality, efforts to increase diversity, opportunities for financial aid, and affordability.

## What are tuition set-asides?

In 1975, the Texas Legislature created the Texas Public Educational Grant (TPEG) program to provide grant assistance to students with financial need. To fund this program, public institutions of higher education are required to "set-aside" a portion of the **statutory** tuition they collect from students in order to make TPEG awards. The set aside amount is 15 percent of resident statutory tuition at universities, state and technical colleges, and 6 percent of resident statutory tuition at community colleges. In FY15, approximately \$146 million in financial aid was awarded through TPEG.

In deregulating tuition and allowing universities to set their own designated tuition rates, the Legislature also required universities to set-aside a portion of their **designated** tuition revenues for financial aid targeted to financially needy students.

Specifically, HB 3015 amended the Education Code by adding §§56.011 and 56.012, which require universities to set aside at least 15 percent of the amount of undergraduate and graduate designated tuition charged in excess of \$46 per semester credit hour. This set aside is to be used to provide financial

assistance for financially needy undergraduate or graduate students at the institution. In FY15, grant and scholarship aid awarded through HB 3015 set-asides totaled \$219 million.

Previously, institutions were also required to set aside an additional five percent of the undergraduate amount of designated tuition charged in excess of \$46 per semester credit hour to fund the B-On-Time (BOT) Loan Program. These funds were used to make zero-interest loans to qualifying students, with the provision that the loan was forgiven if the student graduated on-time and with a 'B' average. HB 700, 84th Texas Legislature, limited future BOT awards to students who had received a loan prior to the 2015-16 academic year and abolishes the program entirely in 2020. The five percent tuition set-aside was eliminated effective in fall 2015.

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# TEXAS HIGHER EDUCATION COORDINATING BOARD TUITION AND FEES DATA

The tuition and fee data reported on the following pages reflects the average amounts charged to resident undergraduate students enrolled in 15 semester credit hours (SCH) per semester at Texas public universities. Amounts reported include statutory tuition, designated tuition, average mandatory fees and average college course fees.

A student's actual charges may vary based on the student's classification and level of enrollment, the college the student attends within the university, the student's specific personal circumstances, or for other reasons deemed appropriate by the institution.

## **FOOTNOTES:**

- \* All data was reported under definitions for tuition and fees adopted January 2006 by the Coordinating Board.
- (1) Texas A&M University implemented flat-rate tuition plans in Fall 2005.
- (2) The University of Texas at Arlington implemented flat-rate tuition plans in Fall 2006.
- (3) The University of Texas at Austin implemented flat-rate tuition plans in Fall 2005.
- (4) University of North Texas implemented flat-rate tuition plans in Fall 2007.
- (5) University of North Texas - Dallas began reporting IFRS data Fall 2010.
- (6) The University of Texas-Rio Grande Valley began reporting IFRS data Fall 2015. Data are no longer collected under the institution names of The University of Texas-Pan American or The University of Texas at Brownsville.

## **DATA AMENDMENT:**

**NOTE:** For the purposes of calculating the change in tuition and fees between Fall 2003 and Fall 2015, the statewide averages exclude those universities that did not exist in Fall 2003 (Texas A&M University-Central Texas, Texas A&M University-San Antonio, and the University of North Texas-Dallas).

## **Note:**

The Total Academic Charges column is the sum of Statutory Tuition + Designated Tuition + Mandatory Fees + Avg Coll and Course Fees for each school. The bottom of the column is the average (excluding zeroes, if any) of the Total Academic Charges of each school. The Fall 2014 + Spring 2015 column is the sum of the Total Academic Charges of each semester. The bottom of that column is the average (excluding zeroes, if any) of the total of Fall 2014 and Spring 2015. Thus, adding the Fall 2014 to the Spring 2015 averages will not equal to the average of the sums of the Fall 2014 + Spring 2015 totals.

**ACADEMIC CHARGES**  
**(TUITION, MANDATORY FEES, AND AVERAGE COLLEGE AND COURSE FEES)**  
**FALL 2003-FALL 2015**

Institution	Statutory Tuition				Designated Tuition					Total Tuition			
	Fall 2003	Fall 2015	Change	Percent Change	Fall 2003	Fall 2015	Change	Percent Change	Percent of Undergraduate Students Enrolled at 15 SCH	Fall 2003	Fall 2015	Change	Percent Change
Angelo State University	\$690	\$750	\$60	9%	\$600	\$1,680	\$1,080	180%	19.83%	\$1,290	\$2,430	\$1,140	88%
Lamar University	\$690	\$750	\$60	9%	\$600	\$2,700	\$2,100	350%	88.25%	\$1,290	\$3,450	\$2,160	167%
Midwestern State University	\$690	\$750	\$60	9%	\$585	\$1,821	\$1,236	211%	12.13%	\$1,275	\$2,571	\$1,296	102%
Prairie View A&M University	\$690	\$750	\$60	9%	\$540	\$2,276	\$1,736	321%	32.93%	\$1,230	\$3,026	\$1,796	146%
Sam Houston State University	\$690	\$750	\$60	9%	\$585	\$2,482	\$1,897	324%	18.01%	\$1,275	\$3,232	\$1,957	153%
Stephen F. Austin State University	\$690	\$750	\$60	9%	\$615	\$2,783	\$2,168	353%	18.31%	\$1,305	\$3,533	\$2,228	171%
Sul Ross State University	\$690	\$750	\$60	9%	\$450	\$1,875	\$1,425	317%	n/a	\$1,140	\$2,625	\$1,485	130%
Tarleton State University	\$690	\$750	\$60	9%	\$645	\$1,819	\$1,174	182%	17.80%	\$1,335	\$2,569	\$1,234	92%
Texas A&M International University	\$690	\$750	\$60	9%	\$525	\$1,606	\$1,081	206%	n/a	\$1,215	\$2,356	\$1,141	94%
Texas A&M University (1)	\$690	\$750	\$60	9%	\$690	\$2,556	\$1,866	270%	14.37%	\$1,380	\$3,306	\$1,926	140%
Texas A&M University at Galveston	\$690	\$750	\$60	9%	\$690	\$2,895	\$2,205	320%	18.30%	\$1,380	\$3,645	\$2,265	164%
Texas A&M University - Central Texas	n/a	\$750	\$0	0%	n/a	\$1,327	n/a	n/a	n/a	n/a	\$2,077	\$0	0%
Texas A&M University-Commerce	\$690	\$750	\$60	9%	\$645	\$1,645	\$1,000	155%	96.86%	\$1,335	\$2,395	\$1,060	79%
Texas A&M University-Corpus Christi	\$690	\$750	\$60	9%	\$690	\$1,755	\$1,065	154%	15.14%	\$1,380	\$2,505	\$1,125	82%
Texas A&M University-Kingsville	\$690	\$750	\$60	9%	\$600	\$1,433	\$833	139%	20.23%	\$1,290	\$2,183	\$893	69%
Texas A&M University-San Antonio	n/a	\$750	\$0	0%	n/a	\$1,303	n/a	n/a	n/a	n/a	\$2,053	\$0	0%
Texas A&M University-TEXARKANA	\$690	\$750	\$60	9%	\$510	\$1,767	\$1,257	246%	0.73%	\$1,200	\$2,517	\$1,317	110%
Texas Southern University	\$690	\$750	\$60	9%	\$690	\$2,745	\$2,055	298%	82.07%	\$1,380	\$3,495	\$2,115	153%
Texas State University	\$690	\$750	\$60	9%	\$690	\$3,018	\$2,328	337%	16.19%	\$1,380	\$3,768	\$2,388	173%
Texas Tech University	\$690	\$750	\$60	9%	\$690	\$2,548	\$1,858	269%	18.18%	\$1,380	\$3,298	\$1,918	139%
Texas Woman's University	\$690	\$750	\$60	9%	\$690	\$2,225	\$1,535	222%	n/a	\$1,380	\$2,975	\$1,595	116%
The University of Texas at Arlington (2)	\$690	\$750	\$60	9%	\$690	\$2,629	\$1,939	281%	10.51%	\$1,380	\$3,379	\$1,999	145%
The University of Texas at Austin (3)	\$690	\$750	\$60	9%	\$690	\$2,641	\$1,951	283%	20.24%	\$1,380	\$3,391	\$2,011	146%
The University of Texas at Brownsville	\$690	n/a	\$0	0%	\$480	n/a	n/a	n/a	4.98%	\$1,170	n/a	\$0	0%
The University of Texas at Dallas	\$690	\$750	\$60	9%	\$690	\$3,191	\$2,501	362%	n/a	\$1,380	\$3,941	\$2,561	186%
The University of Texas at El Paso	\$690	\$750	\$60	9%	\$690	\$2,053	\$1,363	198%	7.35%	\$1,380	\$2,803	\$1,423	103%
The University of Texas at San Antonio	\$690	\$750	\$60	9%	\$690	\$2,241	\$1,551	225%	16.91%	\$1,380	\$2,991	\$1,611	117%
The University of Texas at Tyler	\$690	\$750	\$60	9%	\$690	\$1,935	\$1,245	180%	14.48%	\$1,380	\$2,685	\$1,305	95%
The University of Texas of the Permian Basin	\$690	\$750	\$60	9%	\$600	\$1,768	\$1,168	195%	11.76%	\$1,290	\$2,518	\$1,228	95%
The University of Texas-Pan American	\$690	n/a	n/a	n/a	\$480	n/a	n/a	n/a	n/a	\$1,170	n/a	n/a	n/a
The University of Texas-Rio Grande Valley (6)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
University of Houston	\$690	\$750	\$60	9%	\$690	\$3,091	\$2,401	348%	9.70%	\$1,380	\$3,841	\$2,461	178%
University of Houston-Clear Lake	\$690	\$750	\$60	9%	\$690	\$2,205	\$1,515	220%	12.63%	\$1,380	\$2,955	\$1,575	114%
University of Houston-Downtown	\$690	\$750	\$60	9%	\$615	\$2,176	\$1,561	254%	8.07%	\$1,305	\$2,926	\$1,621	124%
University of Houston-Victoria	\$690	\$750	\$60	9%	\$690	\$1,992	\$1,302	189%	5.94%	\$1,380	\$2,742	\$1,362	99%
University of North Texas (4)	\$690	\$750	\$60	9%	\$690	\$3,044	\$2,354	341%	18.55%	\$1,380	\$3,794	\$2,414	175%
University of North Texas - Dallas (5)	n/a	\$750	\$0	0%	n/a	\$3,024	n/a	n/a	n/a	n/a	\$3,774	\$0	0%
West Texas A&M University	\$690	\$750	\$60	9%	\$458	\$1,761	\$1,303	284%	n/a	\$1,148	\$2,511	\$1,363	119%
<b>STATEWIDE AVERAGE</b>	\$690	\$750	\$60	9%	\$625	\$2,229	\$1,627	256%		\$1,315	\$2,979	\$1,687	126%

**ACADEMIC CHARGES**  
**(TUITION, MANDATORY FEES, AND AVERAGE COLLEGE AND COURSE FEES)**  
**FALL 2003-FALL 2015**

Institution	Mandatory Fees				Average College Course Fees				Total Tuition and Fees			
	Fall 2003	Fall 2015	Change	Percent Change	Fall 2003	Fall 2015	Change	Percent Change	Fall 2003	Fall 2015	Change	Percent Change
Angelo State University	\$478	\$1,502	\$1,024	214%	\$25	\$0	-\$25	-100%	\$1,793	\$3,932	\$2,139	119%
Lamar University	\$427	\$1,409	\$982	230%	\$30	\$0	-\$30	-100%	\$1,747	\$4,859	\$3,112	178%
Midwestern State University	\$432	\$1,341	\$909	210%	\$85	\$210	\$125	147%	\$1,792	\$4,122	\$2,330	130%
Prairie View A&M University	\$566	\$1,797	\$1,231	217%	\$58	\$0	-\$58	-100%	\$1,854	\$4,823	\$2,969	160%
Sam Houston State University	\$619	\$1,436	\$817	132%	\$76	\$384	\$308	405%	\$1,970	\$5,052	\$3,082	156%
Stephen F. Austin State University	\$382	\$1,139	\$757	198%	\$48	\$46	-\$2	-4%	\$1,735	\$4,718	\$2,983	172%
Sul Ross State University	\$561	\$980	\$419	75%	\$16	\$16	\$0	0%	\$1,717	\$3,621	\$1,904	111%
Tarleton State University	\$417	\$1,067	\$650	156%	\$35	\$13	-\$22	-63%	\$1,787	\$3,649	\$1,862	104%
Texas A&M International University	\$446	\$1,526	\$1,080	242%	\$0	\$0	\$0	0%	\$1,661	\$3,882	\$2,221	134%
Texas A&M University (1)	\$810	\$1,605	\$795	98%	\$167	\$0	-\$167	-100%	\$2,357	\$4,911	\$2,554	108%
Texas A&M University at Galveston	\$468	\$1,126	\$658	141%	\$20	\$0	-\$20	-100%	\$1,868	\$4,771	\$2,903	155%
Texas A&M University - Central Texas	n/a	\$861	\$0	0%	n/a	\$0	\$0	0%	n/a	\$2,938	\$0	0%
Texas A&M University-Commerce	\$477	\$1,321	\$844	177%	\$9	\$0	-\$9	-100%	\$1,821	\$3,716	\$1,895	104%
Texas A&M University-Corpus Christi	\$537	\$1,678	\$1,141	212%	\$35	\$80	\$45	129%	\$1,952	\$4,263	\$2,311	118%
Texas A&M University-Kingsville	\$633	\$1,561	\$928	147%	\$5	\$0	-\$5	-100%	\$1,928	\$3,744	\$1,816	94%
Texas A&M University-San Antonio	n/a	\$1,620	\$0	0%	n/a	\$217	\$0	0%	n/a	\$3,890	\$0	0%
Texas A&M University-TEXARKANA	\$231	\$1,001	\$770	333%	\$4	\$55	\$51	1,296%	\$1,435	\$3,573	\$2,138	149%
Texas Southern University	\$486	\$868	\$382	79%	\$0	\$0	\$0	0%	\$1,866	\$4,363	\$2,497	134%
Texas State University	\$628	\$1,204	\$576	92%	\$64	\$0	-\$64	-100%	\$2,072	\$4,972	\$2,900	140%
Texas Tech University	\$1,145	\$1,958	\$813	71%	\$0	\$0	\$0	0%	\$2,525	\$5,256	\$2,731	108%
Texas Woman's University	\$438	\$1,339	\$901	206%	\$77	\$0	-\$77	-100%	\$1,895	\$4,314	\$2,419	128%
The University of Texas at Arlington (2)	\$831	\$1,060	\$229	28%	\$155	\$0	-\$155	-100%	\$2,366	\$4,439	\$2,073	88%
The University of Texas at Austin (3)	\$714	\$1,512	\$798	112%	\$627	\$0	-\$627	-100%	\$2,721	\$4,903	\$2,182	80%
The University of Texas at Brownsville	\$302	n/a	\$0	0%	\$18	n/a	\$0	0%	\$1,490	\$0	-\$1,490	-100%
The University of Texas at Dallas	\$1,242	\$1,962	\$720	58%	\$0	\$0	\$0	0%	\$2,622	\$5,903	\$3,281	125%
The University of Texas at El Paso	\$417	\$726	\$309	74%	\$40	\$102	\$62	155%	\$1,837	\$3,631	\$1,794	98%
The University of Texas at San Antonio	\$842	\$1,373	\$531	63%	\$0	\$193	\$193	0%	\$2,222	\$4,557	\$2,335	105%
The University of Texas at Tyler	\$415	\$971	\$556	134%	\$0	\$0	\$0	0%	\$1,795	\$3,656	\$1,861	104%
The University of Texas of the Permian Basin	\$438	\$711	\$273	62%	\$21	\$89	\$68	324%	\$1,749	\$3,318	\$1,569	90%
The University of Texas-Pan American	\$322	n/a	n/a	n/a	\$67	n/a	n/a	n/a	\$1,559	n/a	n/a	n/a
The University of Texas-Rio Grande Valley (6)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$3,438	n/a	n/a
University of Houston	\$588	\$1,092	\$504	86%	\$298	\$470	\$172	58%	\$2,266	\$5,403	\$3,137	138%
University of Houston-Clear Lake	\$370	\$639	\$269	73%	\$108	\$77	-\$31	-29%	\$1,858	\$3,671	\$1,813	98%
University of Houston-Downtown	\$279	\$574	\$295	106%	\$31	\$14	-\$17	-55%	\$1,615	\$3,514	\$1,899	118%
University of Houston-Victoria	\$460	\$801	\$341	74%	\$45	\$0	-\$45	-100%	\$1,885	\$3,543	\$1,658	88%
University of North Texas (4)	\$827	\$1,251	\$424	51%	\$159	\$223	\$64	40%	\$2,366	\$5,268	\$2,902	123%
University of North Texas - Dallas (5)	n/a	\$150	\$0	0%	n/a	\$0	\$0	0%	n/a	\$3,924	\$0	0%
West Texas A&M University	\$373	\$1,184	\$811	217%	\$100	\$9	-\$91	-91%	\$1,621	\$3,704	\$2,083	129%
<b>STATEWIDE AVERAGE</b>	<b>\$547</b>	<b>\$1,210</b>	<b>\$679</b>	<b>121%</b>	<b>\$87</b>	<b>\$137</b>	<b>\$121</b>	<b>59%</b>	<b>\$1,934</b>	<b>\$4,229</b>	<b>\$2,355</b>	<b>119%</b>