



Center for Higher Education Policy: Review of the 82nd Session of the Texas Legislature

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STATE FUNDING

- ★ State appropriations for public institutions for higher education in All Funds were reduced by 4.3 percent for the next biennium, while General Revenue appropriations for higher education were reduced by 9.3 percent.

ONLINE EDUCATION

- ★ Amendment 154 was successfully added to HB 1, requiring that public institutions of higher education submit to the Higher Education Coordinating Board a cost study making the four most popular degree plans available online.
- ★ The surge in tuition is pricing our public universities out of the reach of middle class families. For students in the lower income brackets there is an abundance of scholarships, grants, and other need-based financial aid that takes care of them. For students in the top income brackets, parents are able to pay for their student's education.
- ★ Online degree programs have allowed students access to universities and colleges at a more affordable cost and, for some institutions, have allowed for double or triple enrollment. The UT Arlington College of Nursing has doubled enrollment in the course of a year and has one of the state's highest graduation rates at 95 percent, and licensure rates at 97 percent.

STUDENT-CENTERED FUNDING

- ★ HB 9 was signed by the governor during this legislative session. This bill begins to change the traditional formula funding for public universities from funding based on enrollment, to funding based on student outcomes. The Co-

ordinating Board has been tasked with creating uniform measures for the public universities that are "aligned with the state's education goals and economic development needs," as is stated in the bill. Texas graduates must be able to compete economically, nationally and globally.

- ★ Student-centered funding places money into the hands of students rather than appropriating it directly to universities. Doing so increases competition in the higher education market because universities are forced to compete for students based on the education they provide, which results in higher quality teaching, efficient use of funds, and cohesion to the core purpose of educating students.

TRANSPARENCY

- ★ HB 736 instructs public institutions for higher education to increase transparency and to make faculty information available online. This information includes: student/faculty ratio; percentage of all full-time equivalent faculty members with teaching responsibility who are tenured or tenure-track; and the percentage of semester credit hours taken by freshman and sophomores taught by tenured or tenure-track faculty.
- ★ Without transparency, universities in Texas lack much needed accountability that would ensure spending is under control and the quality of education provided to university customers is the priority. By requiring institutions, through HB 736, to report such things as total revenue spent per full-time faculty member, full-time student, the amount of research expenditures (both federal and private), and what percentage of faculty have research grants, the public are able to know where and to what the state appropriated funds and tuition dollars are going towards.

★ There was, and still is, significant discussion among policymakers and the public about rapidly increasing tuition rates at Texas universities, and this reality initiated many higher education reform measures. Transparency measures allow for more resources available to track university spending and results.

REFORMS STILL NEEDED

The 82nd Legislative Session provided some successes in higher education reform, although there is still much to be done. The Foundation would still like to see reforms instituted that would create a more competitive higher education market that is sensitive to the needs of its customers.

★ Lawmakers should provide incentives for universities to focus their spending on areas that enhance the quality of classroom instruction rather than towards more unproductive research activities.

★ Transparency is still needed so citizens and lawmakers have the ability to keep track of how universities spend their tax dollars, allowing them to see the results their dollars yield.

★ Universities should put a system in place that rewards excellent teachers who score well on their student evaluations.

★ More focus should be placed on creating top-notch teaching universities rather than Tier-One research institutions.

★ The Top 10 Percent rule should be scaled back further or repealed.

