



Texas Public Policy Foundation

Center for Higher Education

84th Texas Legislature in Review

By Thomas K. Lindsay & Trevor McGuire

Media interest in higher education frequently shifted throughout the Texas Legislature's 84th regular session, from reforms concerning campus carry to those on funding veterans' education and reintroducing tuition limits. Yet in the end, almost none of the many reforms proposed for improving higher-education quality, affordability, or transparency lived to reach the governor's desk. By far the most significant piece of higher-education legislation passed was HB 100, which would authorize \$3.1 billion in tuition revenue bonds for campus construction projects.

While we can take heart in a few successful reforms that will have a marginally positive impact on higher education, Texans should rue dozens of missed opportunities for the Legislature to take a stand in favor of innovation and against rising costs. To be sure, not all proposed reforms would have been beneficial; indeed, the Legislature was wise to discard a number of wrong-headed ideas for fixing higher education. The task set before us, as we look toward the Legislature's 85th session, is to continue to make the case for sound higher-education policy in the hopes that good reforms will begin to separate themselves from a crowd of mediocre options.

Tuition Revenue Bonds

Heading into the session in January, there was never any doubt that HB 100 would make its way to the governor's desk without much trouble. The \$3.1 billion tuition revenue bond (TRB) authorization will lead to a boom in campus construction across the state of Texas.



Of course, the construction funded by these bonds will not be addressing needs of uniform urgency. Rather, omnibus TRB bills such as HB 100 lump funding for the construction of necessary classroom and laboratory space with not-so-necessary vanity projects, the likes of which account

in part for the near tripling of campus space available per student during the past four decades.

Since existing standards for TRBs have no means of enforcement and are simply the basis of a Texas Higher Education Coordinating Board recommendation, good and bad projects alike are often included in the omnibus TRB bill. Legislation

attempting to strengthen the standards for approving TRBs, HB 1103, was defeated early on in the legislative process.

Hazlewood

The major surprise in higher education in the 84th session was the death of SB 1735, a bill to reform the Hazlewood program.

The Hazlewood program is the most generous state-level veterans' tuition program in the nation. Unfortunately, its costs have begun to climb dramatically in the past five years, after changes to the program passed in 2009 gave Hazlewood-qualified veterans the option of passing unused program credits onto their children. The cost has since ballooned from under \$30 million in 2009 to \$169 million last year and is now expected to rise to \$379 million. Furthermore, a federal district court ruling from earlier this year invalidated language in the Hazlewood Act meant to restrict the program to Texas residents, thus creating a loophole that Legislative Budget Board and Texas Veterans Commission officials have claimed could increase the program's annual costs up to \$2 billion.



In spite of the impending explosion in the program's costs, negotiations on Hazlewood reform broke down, as the two houses could not come to terms on how to reconcile their different versions of the bill. While one can understand why the timing of the major floor debate on Hazlewood, the day before Memorial Day, may have influenced the decision not to reduce benefits for veterans' children, one struggles to understand why the Legislature did not at least patch the holes in the program exposed in court in order to protect Texans from paying for the free college education of veterans from states with less-generous programs.

Successful Reforms

While key reforms on TRB standards and Hazlewood did not succeed, a handful of worthwhile reforms successfully navigated their way out of the 84th session.

SB 1750 reconfigured the Texas College Work-Study program to require colleges and universities to find private employment options for at least 20 percent of work-study students. Before this bill passed, no law required these schools to find the most

continued on back

useful student employment for work-study participants. Exactly zero work-study students were employed off-campus last year; colleges and universities had essentially been using these students as a highly subsidized auxiliary labor force.

A bill to place homeschoolers and others with nontraditional secondary education on equal footing with traditional secondary students when applying to college, SB 1543, would assign students without a graduating class an approximate class rank based on how their standardized-test scores compare to other undergraduate applicants to the institution with similar test scores.

HB 1287 will require university websites to carry certain employment information relevant to the institution. This is essentially a transparency measure, providing students with an additional resource to help them determine the value of the education they are considering paying (or taking on debt) for.

HB 1583, which approves a scheme for block scheduling at junior colleges, will likely help reduce the number of “lost” credits—credits that do not count toward a student’s graduation requirements—compared to students choosing classes in the traditional “one course at a time” method.

Work in Progress

Our assessment of the session ends with works in progress: promising reforms that prompted debate and consideration despite not making their way through the legislative process. These bills, though defeated, will mark excellent starting points for those looking to improve the Texas higher-education system during the next legislative session.

The Incentivize College Affordability Now, or “I CAN,” bill, HB 1502, would have amended formula funding language to ensure that schools with affordable degree programs targeting nontraditional students (students over 25, with military experience, with children, or with full-time jobs) could receive the same level of state support as traditional programs. Such reform is worth pursuing because it would lower the cost of higher education both for students, who would see immediate savings in the form of a four-year degree costing one-half of what a typical university degree in Texas costs; and for taxpayers, who would pay less per student enrollment in an affordable degree program than for students enrolled in traditional degree programs.

The Honest Transcript bill, HB 1196 / SB 499, would have placed the average of all students’ grades in a given course next to the student’s grade on each transcript. This would incentivize students to take harder courses (often STEM) that grade harder, while making “easy-A” classes less attractive.

A pilot program to investigate the cost savings from leveraging online resources as supplements or alternatives to traditional textbooks, outlined in SB 915, could save students as well as the state a considerable amount of money.

Finally, SB 1207, a transparency measure aimed at combatting the growing popularity of so-called “omnibus fees,” would have protected students from this less-than-transparent university billing practice. ★

