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Will Texas's 'Impossible' \$10K Degree Lead the Nation?

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In Rick Perry's 2011 state of the state address, Perry challenged Texas's public universities to craft four-year degrees costing no more than \$10,000 in tuition, fees, and books, and to achieve the necessary cost reductions by teaching students online and awarding degrees based on competency.

The idea was met with skepticism. Andy Brown, who was then chairman of the Travis County Democrats, labeled Perry's "scheme to serve up \$10,000 college degrees ... preposterous," adding that "nobody in higher education believes that is even possible." Peter Hugill, a Texas A&M professor who at the time was president of the Texas Conference of the American Association of University Professors, posed the rhetorical question: "Do you really want a stripped-down, bare-bones degree?" Hugill went on to declare, "\$10,000 seems to me a number someone pulled out of the air."

If these reactions suggested Perry was out of step with the higher-education establishment, the public's reaction suggested that defenders of the status quo had fallen out of step with students, their parents, and taxpayers. Baseline and Associates conducted a public-opinion survey commissioned by the Texas Public Policy Foundation, finding that 81 percent of Texas voters believed public universities could be run more efficiently. Nationally, a 2011 Pew study found that 57 percent of prospective students believed a college degree no longer carries a value worth the cost. Seventy-five percent of respondents declared college simply unaffordable.

But would Perry's plan meet the public's need? One year after the governor's challenge, Texas A&M-San Antonio became the first school to answer the call, announcing a bachelor's degree in information technology costing students just under \$10,000 in tuition and fees. Today, eleven other Texas schools have announced \$10,000 degree initiatives.

The burgeoning revolution has not been confined to the Lone Star State. Apparently, when it comes to higher-education reform, as Texas goes, so goes the country. Florida governor Rick Scott recently asked his state's public universities to craft \$10,000 degrees of their own. In May of 2013, Georgia Tech announced an online master's degree in computer science for \$7,000, a reduction of 80 percent from the \$40,000 price tag charged for its on-campus program. Additionally, in the last year, legislators in Oklahoma and Oregon have begun work to introduce \$10,000 degrees in their states.

The rapid expansion of \$10,000 degree offerings has not satisfied the "It's impossible" critics. They note that the fledgling programs are limited to a few subject areas, mostly the applied sciences, and argue that the same model cannot work in other fields. Moreover, they point out, a number of the new offerings charge students \$10,000 but do not actually reduce their schools' cost of instruction and materials.

These otherwise valid critiques ignore the fact that Perry requested only that 10 percent of public undergraduate degrees meet the \$10,000 standard, a quota echoed by Rick Scott. More important, the \$10,000 degree programs that reduced the price charged to the student but not the cost incurred by the school did not employ the means Perry specified — online learning and competency-based exams.

That's changing. Three higher-education partners — Texas A&M University-Commerce, South Texas College, and the Texas Higher Education Coordinating Board (THECB) — just launched the "Affordable Baccalaureate Program," the state's first public university bachelor's degree combining online learning and competency-based standards. Developed by community-college and university faculty, with an eye to meeting the needs identified by community and business leaders, a new degree in organizational leadership can cost as little as \$750 per term and allows students to receive credit for as many competencies and courses as they can master each term. According to THECB's website, students arriving "with no prior college credits should be able to complete the degree program in three years at a total cost of \$13,000 to \$15,000." Students who enter having already satisfied their general-education requirements can complete the degree in two years, while those entering with "90 credit hours and no credential" can complete the degree "in one year for \$4,500 to \$6,000."

Will this latest salvo strike the decisive blow in the revolution? It is too early to tell. But a few facts we know too well. One study finds that average tuition and fees nationwide have risen 440 percent over the past 25 years, roughly four times the rate of inflation and nearly twice the rate of health-care cost growth. Attempting to pay for these historic price increases, students and their parents have taken on historic student-loan debt. Total student-loan debt has risen to \$1.2 trillion, for the first time ever exceeding total national credit-card debt.

In the past, the debate over the college tuition and debt crisis has produced calls to action on two fronts, both fiscally unsustainable: First, federal taxpayers have been asked to pay more through subsidizing student loans so that students can borrow more to pay inflated tuition. Second, state taxpayers have been asked to pay more in order to increase state subsidies for education. But today, with the \$10,000

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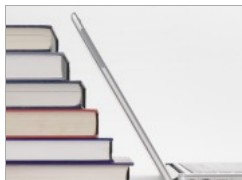
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degree, universities themselves are beginning to lower the tuition and fees they charge students, parents, and taxpayers.

Finally, the ground is beginning to shift. The impossible may be starting to look inevitable.

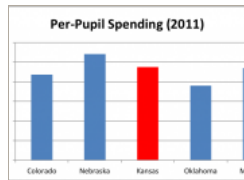
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