

February 20, 2017

**Written Testimony – Senate Higher Education Committee
SB 18 - Opposed**

Garrett Groves, Economic Opportunity Program Director – groves@cphp.org

The Center for Public Policy Priorities is an independent public policy organization that uses data and analysis to advocate for solutions that enable all Texans to reach their full potential. We envision a Texas where everyone is healthy, well-educated, and financially secure. To reach this vision, we must ensure that there is sufficient financial support for every student to access college, no matter where they live or what their background.

When the state allowed institutions to raise their own tuition rates in 2003, the legislature expressed concern that many Texas residents would be priced out of college. In an effort to prevent that from happening, the legislation that deregulated tuition – HB 3015 – required public universities to set aside 15 percent of any new tuition increases to provide grants and scholarships to students with financial need.

SB 18 would remove this requirement and allow public universities to eliminate these grants and scholarships. CPPP opposes this legislation because:

- **More university students receive a HB3015 grant or scholarship than any other form of state aid.** In FY2015, 87,395 students at a four-year institution received a grant or scholarship funded through HB3015 set-aside funds. That is 20,492 more than received a TEXAS grant.
- **Eliminating HB3015 grants and scholarships will not significantly reduce tuition and fees.** SB18 does not mandate that institutions lower their tuition rates. For those universities that choose to lower tuition, CPPP estimates that the average student might see their annual tuition and fees decrease by 6.2 percent.
- **Tuition set-asides are the only source of state financial aid that keep pace with student enrollment growth and tuition increases.** By comparison, the state continues to reduce its investment in higher education as enrollment grows and tuition increases. Since 2000, general revenue support to universities has declined by \$2,600 per student. At the same time, net tuition and fees have nearly doubled from \$4,278 in 2000 to \$8,256 in 2015.
- **The HB3015 tuition set-aside ensures public universities maintain a focus on need-based financial aid.** There is no guarantee that public universities in Texas will continue to set aside funds for need-based scholarships without a state requirement. There are several competing needs and demands for limited resources, including recruiting distinguished faculty, improving equipment and facilities, providing merit-based financial aid or making up for declining state investment.

About CPPP

The Center for Public Policy Priorities is an independent public policy organization that uses research, analysis and advocacy to promote solutions that enable Texans of all backgrounds to reach their full potential. Learn more at CPPP.org.