



EVERY TEXAN

Formerly Center for Public Policy Priorities

Testimony to Senate Finance Committee on SB 1: Article III — Higher Education More Equitable Funding for Higher Education Institutions of All Types

Kimberly Clarida, Higher Education Policy Analyst, Every Texan

February 6th, 2023

Every Texan is an independent public policy organization that uses data and analysis to advocate for solutions that enable Texans of all backgrounds to reach their full potential. We envision a Texas where everyone is healthy, well educated, and financially secure. To reach this vision, the Legislature should adequately fund public higher education and college financial aid.

There is no question that our Texas economy is thriving. However, without an increased investment in equitable funding for public higher education institutions, our state will fail to supply businesses with well-educated, trained, and skilled workers needed to maintain a growing society. A lack of equitable funding for public higher education institutions also jeopardizes the social well-being and social mobility of students and families from various racial and socioeconomic backgrounds.

As our labor market demands an increasingly educated and specialized populace, more and more Texans from low-income, systematically marginalized communities are seeking higher education, but ever-increasing tuition rates and cost of living make this life goal unattainable for many. To fulfill our promise to the next generation of Texans and support our growing workforce, policymakers must work together to ensure sufficient opportunity and support so all Texans have access to an affordable post-secondary education, at every college or university type, despite zip code or background.

Invest more state aid into our 2- and 4-year higher education public institutions

For the past 14 years, tuition and fees per full-time student at public universities has exceeded state general revenue support. In 2020, this diverging difference resulted in state support of \$5,673 per state-funded student while tuition and fees averaged \$9,003 per student. The community college sector is particularly impacted by the increased cost of postsecondary education for Texas families as the state has also decreased funding to community colleges since 1980. Decreased state aid to community colleges has required these colleges to rely on federal aid or local property taxes to keep tuition and fees from rising. During the 2022-2023 academic year, state contributions to community colleges accounted for \$2.5 billion - which is only 19 percent of the funding received.

Fund more TEXAS Grants & TEOG for eligible students

The Senate finance budget, as proposed, does not adequately support the immediate need for an expanded TEXAS (Towards Excellence, Access, and Success) Grant Program or TEOG (Texas Educational Opportunity Grant) Program for public community or state technical colleges. The Higher Education board is not expected to receive additional funding to expand

these programs for the next two years. Moreover, the Senate is not considering awarding the 76.5 million dollars that the Higher Education Board requested for student financial aid.

More Texas students who demonstrate financial need deserve state-funded need-based aid. Instead of providing all eligible students with a need-based grant, Texas only provides need-based grants to 70 percent of students at four-year colleges and less than 30 percent of students at community, state, or technical colleges.

The proposed Senate budget does the opposite of what is needed by decreasing the reach of the TEXAS grant program for four-year colleges and universities by 4,400 students over the next two years. SB1 as filed also decreases the number of students at community, state, and technical colleges who receive TEOG grants annually until the 2025 legislative session.

Over and over again, we keep hearing that this budget session has more money than what is needed. The historic budget balance, if used correctly, can be invested in our state's higher education institutions, from South Plains College in Levelland to Prairie View A&M, that have continuously produced positive economic and social benefits for Texas' students and families.

I know firsthand the opportunities that an accessible and affordable education can provide students and families. As a previous first-generation, low-income college student who graduated with zero student loans, I know it was because of the need-based funding that my undergraduate school and state provided me. This Legislature can make that investment in our students and state, now.

Recommendations for equitable funding to higher education institutions

Every Texan calls on the Senate Finance committee to fully fund financial aid grants (TEXAS Grants and TEOG) and expand access to all eligible students. Additionally, the state should increase contributions to 2- and 4-year public colleges and universities. We also support funding for potential updates to community college finance formulas and funding legislation; especially if changes include more equitable distribution of resource such as increased aid for low-income students, aid to colleges supporting the higher costs of educating non-traditional students and students who are economically and academically disadvantaged, and provides unbiased aid for a wide variety of education programs, degrees, and certificates.

