

WHY IS TEXAS INVESTING LESS AND EXPECTING BETTER COLLEGE GRADUATION RATES?

Higher education is vital to the well-being of Texas communities, and as a growing number of employers expect qualifications beyond a high school diploma, it's necessary for the Legislature to step in to help more Texans meet these educational targets.¹ The Legislature can help all Texans pursue higher education goals² by boosting investment and reducing financial barriers to enrollment.

In 2022, the “Building a Talent Strong Texas” initiative set the ambitious goal of having 60% of Texans aged 25 to 34 and 35 to 64 with some degree or credential by 2030.³ However, the latest degree attainment rate for Texans 25 to 34 sits at 45.3%, and even lower for Texans 35 to 64 at 41.5%. The Legislature must urgently expand its postsecondary investment if it hopes to keep the state on course to achieve its 60% target.⁴

Recent decisions in the 88th Texas Legislature do not align with the state's vision. While state leaders made improvements to community college funding and approved the creation of the Texas University fund, an additional \$700 million was put behind other bills dictating institutions' DEI and tenure policies. **The Legislature's lack of investment undervalues the importance of research, lagging staff pay, and the Hazlewood veteran legacy program.**⁵ Resident tuition remains elevated despite being temporarily frozen as a condition for funding, and further lack of investment in student and employee resources by the state only hinders progress toward a more equitable higher education experience.⁶

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Increasing public university costs are nothing new. From 2013 to 2021, the average tuition for resident undergraduates grew by approximately \$1,700.⁷ However, annual state appropriations per Full-Time Student Equivalent (FTSE) have dwindled in comparison.⁸ As of 2021, state appropriations lie nearly \$3,825 below what average in-state public university undergraduates pay in annual tuition and fees – a frightening gap that puts the financial burden on students.⁹

Achieving the “Building a Talent Strong Texas” program’s goals will be impossible without boosted state support to help students pay for mounting costs.¹⁰ **Recent freeze policies enacted by the 88th Legislature fail to resolve the deeper issue: State support is disproportionate relative to inflated postsecondary tuition.**¹¹ As a result of this discrepancy, Texas families undergo greater strain to afford the costs of higher education attendance, leaving many students financially insecure.¹² These additional barriers can be overwhelming and make college completion more difficult, particularly for part-time students.¹³

Increased degree and certification rates benefit all Texas communities, but the Legislature must expand current appropriations to ensure the financial welfare of higher education students and to reach the goals of the “Building a Talent Strong Texas” program.

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1. App. 65% of the total Texas workforce has either some college/associate certification or has a BA/BS. Net migrant degree/certification attainment much higher than the total workforce, roughly 71% (Texas Commission on Virtual Education, 29 June 2022):

<https://tea.texas.gov/sites/default/files/texas-2036-tcve-6-29-2022.pdf>

Estimation that, by 2030, 62% of all Texas jobs will require a postsecondary credential (Texas 2036, link *ibid.*).

Also estimated that Texas will introduce 1.7 million new job opportunities between 2018 and 2028, 40.7% of which will require some form of postsecondary education/training or technical skills (e.g., construction, manufacturing) (Texas Workforce Commission High Growth Report Summary 2021, published 2021):

https://www.twc.texas.gov/files/twc/commission_meeting_material_01.25.22_item8a_hlgrowthreport_summary.pdf

Of expected job opportunities to arise by 2028, 227,266 anticipated to emerge for high-wage, high-demand careers requiring at least a bachelor's degree. Middle-skill jobs, which typically expect technical training beyond a high-school diploma, also expected to provide roughly 179,528 new occupations (TWC, High Growth Report Summary 2021, link *ibid.*).

2. Average unmet need for in-state undergraduates attending public, four-year institutions has consistently increased from 2017, elevated by \$6,452 – calculated by subtracting FY 2017 average from FY 2021 average, THECB FY Reports (THECB FY Reports for [2017](#), [2018](#), [2019](#), [2020](#), [2021](#), published 2018, 2019, 2020, 2021, 2022, respectively):

3. Building a Talent Strong Texas, Primary Indicators, 2022-2030 Strategic Plan, THECB: <https://reportcenter.highered.texas.gov/agency-publication/miscellaneous/building-talent-strong-texas/>

4. Sourced from 2021 Texas Public Higher Education Almanac, published 2021:

<https://reportcenter.highered.texas.gov/agency-publication/almanac/2021-texas-public-higher-education-almanac/>

Percentage for Texans 35 to 64 calculated with 2021 US Census Data, total number of males and females within the 35 to 64 age range with an associate's degree, bachelor's degree, graduate/professional degree (4,596,045) divided by total population of males/females in age range (11,092,325), outcome of roughly 41.43%, rounded to 41.5%. 2021 US Census Data for Texas educational attainment:

<https://data.census.gov/table?>

[q=texas+educational+attainment+by+age&tid=ACSDT1Y2021.B15001](https://data.census.gov/table?q=texas+educational+attainment+by+age&tid=ACSDT1Y2021.B15001)

5. Distributed amounts detailed in the enrolled version of House Bill 1; these financial provisions are conditional, as institutions must freeze tuition/fees for two years and comply with DEI funding proscriptions. Enrolled version of House Bill 1, effective 1 September 2023:

<https://capitol.texas.gov/tlodocs/88R/billtext/pdf/HB00001F.pdf#navpanes=0>

Information on initial chancellor request sourced from [Texas Tribune](#), [Austin American-Statesman](#), published 10 January 2023 and 28 May 2023, respectively.

6. Escalating in-state public university tuition exhibited by THECB Sources and Uses Reports from 2015 to 2021:

THECB Sources and Uses Reports, tuition rates from FY 2015 to FY 2022:

<http://www.txhighereddata.org/index.cfm?objectid=F5436150-1B78-11E9-BF6D0050560100A9>

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7. Calculated by subtracting THECB Sources and Uses Report average resident public university tuition for 2013 – \$7,550 – from that of 2021 – \$9,244; result of \$1,694, rounded to \$1,700.

THECB Sources and Uses Reports, tuition rates from FY 2013 to FY 2021:
<http://www.txhighereddata.org/index.cfm?objectid=F5436150-1B78-11E9-BF6D0050560100A9>

8. Per THECB Sources and Uses Reports, annual state appropriations per FTSE between FY 2013 and FY 2021 failed to exceed \$5,750, the largest sum being \$5,673 in 2020.

THECB Sources and Uses Reports, state appropriations from FY 2013 to FY 2021:
<http://www.txhighereddata.org/index.cfm?objectid=F5436150-1B78-11E9-BF6D0050560100A9>

9. Calculated by subtracting state appropriations per FTSE for FY 2021 – \$5,419 – from the average tuition for in-state Texas undergraduates for FY 2021 – \$9,244; result of \$3,825. Sourced from THECB Sources and Uses Report for FY 2021, link *ibid.*

10. THECB FY Reports reflect an increasing amount of “unmet need” for resident undergraduates attending Texas four-year public institutions, trend observable for 2017, 2018, 2019, 2020, 2021 FY Reports, links *ibid.*

11. Average annual in-state Texas public university tuition from 2015 to 2022 consistently higher than state appropriations per FTSE across the same period; sourced from THECB Sources and Uses Reports (*ibid.*).

12. Increasing resident undergraduate unmet need exhibited in THECB FY Reports for 2017, 2018, 2019, 2020, 2021, links *ibid.*
Over 20,000 undergraduates at public universities/health research institutes reported unaided financial need in 2021; sourced from THECB FY 2021 Report, link *ibid.*

13. Sourced from p. 18 of *State of Student Aid and Higher Education in Texas*, Trellis Company, March 2021: <https://files.eric.ed.gov/fulltext/ED613370.pdf>