



Texas Higher Education Coordinating Board

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THECB announces major higher education priorities for the 83rd Texas Legislature on first day of bill filing

November 12, 2012 – Austin, Texas – Today, the THECB officially released a series of legislative recommendations for Texas legislators to consider as they prepare to convene in January. The recommendations, informed by extensive data analysis and developed in consultation with higher education stakeholders and national consultants, were adopted by the Board in October.

The Board identified three major priorities from among a total of 29 recommendations to include:

- ❖ Aligning funding with state higher education and workforce priorities;
- ❖ Reducing credits, time (and cost) to degree, and;
- ❖ Expanding access to TEXAS Grants.

"We are intensely focused on meeting the goals of *Closing the Gaps*," explained Higher Education Commissioner Raymund Paredes. "However, we recognize that establishing a policy framework for becoming a national and international leader beyond 2015 must begin in earnest this legislative session."

Aligning funding with state higher education and workforce priorities

FACT: *According to the Center on Education and the Workforce at Georgetown University, 65% of all jobs in the United States will require some level of postsecondary education or training by 2020, to include workforce certificates.*

In order to keep the Texas workforce competitive, the THECB is once again recommending that public universities and community colleges be funded, in part, based on student outcomes. Unlike past proposals, the THECB has reached broad consensus with university and community college leaders on the approach and metrics for such models. The [THECB proposal](#), if adopted, would allocate 10 percent of funding for each sector based on student outcome metrics aligned with institutional missions and workforce needs.

Reducing time, credits (and cost) to degree

FACT: *In 2011, a typical graduate from Texas public universities accumulated 147 credits over 5.3 years toward a baccalaureate degree that requires 120 credit hours and is designed to be completed in four years. On average, these additional credits and time in college can increase a student's tuition and fees by \$6,600 at current rates.*

To help accelerate student time and credits to degree, the THECB is recommending that the Texas Legislature lower the existing thresholds for determining excess credits and create a rebate incentive program to encourage more students to graduate on time.

First, current statute established a credit threshold for determining when state funding is eliminated for coursework and when institutions may charge students higher levels of tuition. Currently, the threshold for both policies is 150 credits for a typical 120 credit degree. The [THECB proposal](#), if adopted, would set the threshold for these policies at 135 credits for a typical 120 credit degree. Degrees requiring more credits, and dual majors, will have allowances to exceed these thresholds. Institutions will retain authority to waive higher tuition rates via local policy.

Additionally, the THECB is recommending that the state retool the B-On-Time loan forgiveness program that is only available to 1 student for every 65 students that help fund it via tuition set asides. The THECB proposal would authorize every public university graduate a cash rebate if they graduate within four years and with a B average. The size of the rebate will be pro-rated based on number of qualifying graduates.

Expanding access to TEXAS Grants

FACT: *The number of TEXAS Grant eligible students has increased 88 percent over the last five years and the THECB estimates the state would need to invest \$1.4B (three times current funding levels) to cover all eligible students over the next two years.*

Despite THECB requests for an additional \$21M over current funding levels for the next two years, funding for TEXAS Grants is not keeping up with student need. Under the current program framework, the THECB projects that only 18 of every 100 eligible new students will receive a TEXAS Grant. The [THECB proposal](#) envisions giving institutions more flexibility to leverage all sources of grant aid (including federal and institutional sources) to meet the academic charges (i.e. tuition and required fees) and cost of books for students. Under this proposal, the THECB projects to serve up to 95 of every 100 eligible new students at Texas public universities.

“Our challenge is clear,” explained Commissioner Paredes. “We need to significantly increase the number of postsecondary trained and educated workers if we are to create and sustain a high-wage economy that competes on the international stage. This requires us to retool our funding models, create higher levels of accountability and responsibility for graduating students in a timely and efficient manner, and invest more in TEXAS Grants while expanding its reach among a growing population of students with financial need.”

In addition to these priorities, the THECB is recommending expanding Graduate Medical Education, improving the efficiency of the dual credit system in Texas, eliminating inefficient reporting and administrative functions, and identifying a funding mechanism to offset institutional costs associated with tuition and fee exemptions for veterans and their dependents. A full list of legislative recommendations is available at the THECB [website](#).

Resources:

THECB Recommendations for 83rd Legislature

<http://www.thecb.state.tx.us/83rdLegislativeRecommendations>

THECB Legislative Appropriations Request

<http://www.thecb.state.tx.us/83rdAppropriations>