



LEGISLATIVE BUDGET BOARD

Texas Public Higher Education

Overview of the Completion and Student Debt Goals in the 60x30TX Strategic Plan

**PRESENTED TO SENATE HIGHER EDUCATION COMMITTEE
LEGISLATIVE BUDGET BOARD STAFF**

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Interim Charge

Related to Senate Committee on Higher Education Interim Charge:

Examine progress in achieving goals within the 60x30TX plan, and review efforts of higher education institutions to implement innovative and non-traditional models of education delivery to meet the needs of an increasingly diverse student body. Consider whether current state policies and regulations may support or hinder institutions' ability to innovate in educational delivery and access. Make recommendations to accelerate innovation in higher education, to better serve students through expanded access to high quality educational opportunities, improve quality in educational delivery, and achieve goals outlined in the 60x30TX higher education strategic plan.

Overview of Presentation

- Overview of Two Goals of the 60x30TX Texas Higher Education Strategic Plan:
Completions and Student Debt
- Overview of Current Completion Trend and Growth Trend Needed to Reach
Completion Goal in 60x30TX Plan
- Overview of Factors Impacting Growth of Completions
- Overview of Potential Impact to Formula Funding
- Overview of Projections Related to TEXAS Grant Awards

60x30TX Completion Goal

By 2030, at least 550,000 students in that year will complete a certificate, associate, bachelor's, or master's from an institution of higher education in Texas.

- Total number of student completions in FY2017 equaled 333,920.
- Includes graduates of all ages from all two- and four-year institutions of higher education in Texas.
- Does not include doctorates earned from institutions.
- Benchmark is based on aggregate completion growth and not on specific growth by institution type.

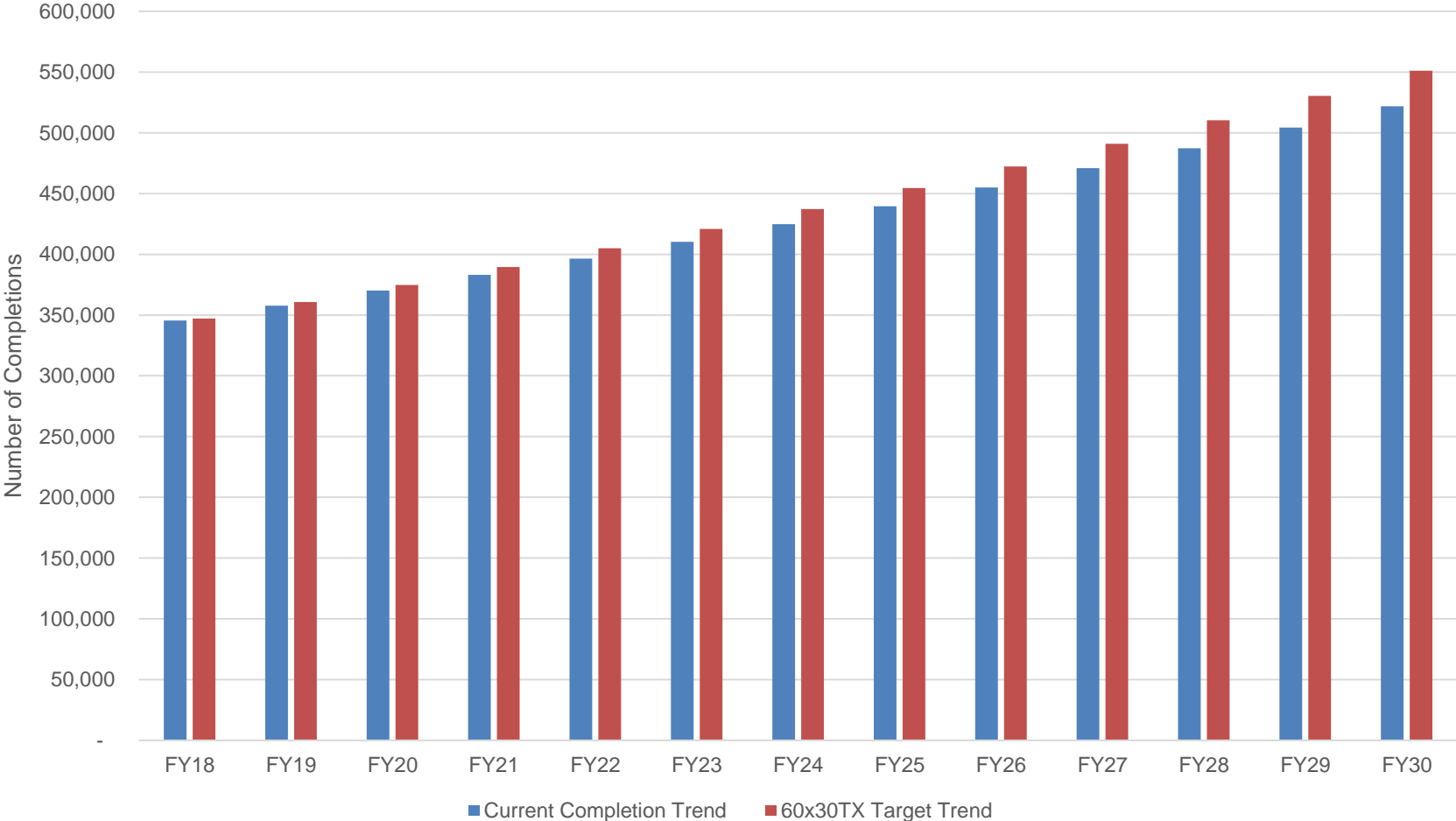
Completion Projection Assumptions and Methodology

- Maintain current graduation and persistence rates at all institution types, which assumes alignment of completion growth with enrollment growth.
- Applied the growth rate of 3.9 percent from the 60x30TX plan to calculate the number of annual completions that would be required to achieve the goal of 550,000 completions in FY 2030.
- Used historical Texas Higher Education Coordinating Board completion data in fiscal years 2015-17 to calculate an estimated current completion annual growth rate of 3.5 percent.

	Estimated 3.9 Percent Growth	Estimated 3.5 Percent Growth	Difference
Projected Number of Completions in FY2030	550,000	520,000	30,000

60x30TX Goal: Completion

Estimated Number of Completions for 60x30TX Goal



Factors Impacting Completion Growth

- Graduation rates by institution
- Persistence rates of students after entering higher education
- Enrollment growth, including by those students in traditionally underrepresented groups
- Other time-to-degree factors, including guided pathways to degrees and unnecessary course-taking
- Affordability of higher education

Formula Funding per FTSE

- While Instruction and Operations (I&O) formula funding for the General Academic Institutions (GAIs) is based on weighted semester credit hours and the rate is determined by each Legislature, I&O General Revenue appropriations per full time student equivalent (FTSE) has ranged from \$2,624 to \$2,807 in fiscal years 2015-17.
- For the Public Community and Junior Colleges (JUCOs), I&O General Revenue appropriations per full-time student equivalent has ranged from \$1,877 to \$1,916 in fiscal years 2015-17.

	FY2015	FY2016	FY2017
GAI I&O GR per FTSE	\$2,624	\$2,807	\$2,740
JUCO I&O GR per FTSE	\$1,916	\$1,891	\$1,877

60x30TX Goal: Student Debt

Undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions.

- According to the 60x30TX plan, student loan debt negatively impacts the plan's completion goals.
- The 60x30TX plan states three groups directly influence college affordability: students, two- and four-year institutions, and state government.
- The Legislature, in addition to appropriating funding for the higher education formulas, also appropriates funding for state financial aid programs.

TEXAS Grant Program

- The state's signature student financial aid program administered by the Texas Higher Education Coordinating Board (THECB) for Texas students enrolled at Texas public universities.
- The program provides coverage of tuition and fees for financially needy high school graduates who are Texas residents, complete an approved high school program, and enroll on at least a three-quarter basis in a baccalaureate program.
- A person receiving a TEXAS grant may use the money to pay any usual and customary cost of attendance at an eligible institution.
- The maximum grant under the program is the average statewide amount of tuition and fees at public universities. Since FY2012, a \$5,000 grant amount has been recommended by THECB to maximize the allocation of grant awards across as many recipients as possible.

2018-19 TEXAS Grant Appropriations

- For the 2016-17 and 2018-19 biennia, the TEXAS Grant award amount is \$5,000.
- During the 2016-17 biennium, 88 percent of eligible students received a TEXAS Grant.
- Texas Higher Education Coordinating Board estimates that 92 percent of eligible students will receive a TEXAS Grant during the 2018-19 biennium.

2016-2017 Estimated/Budgeted	2018-2019 Appropriations	2018-2019 Estimated Full Funding
\$714.2	\$786.5	\$840.4

In Millions.

TEXAS Grant Projections

Assumptions Used by Texas Higher Education Coordinating Board for Projections:

- Target award amount increases by rate of inflation, 2.5 percent per year, from \$5,000 to \$5,943 in FY2025 and to \$6,724 in FY2030 to adjust for rising tuition over this period.
- The growth rate of eligible students increases by 3 percent each year over this same period.
- Student persistence rates are held constant each year.

	FY2018	FY2019	FY2020	FY2025	FY2030
Projected Cost (in millions)	\$402.0	\$425.3	\$462.1	\$606.0	\$794.9
Projected Target Award Amount	\$5,000	\$5,125	\$5,253	\$5,943	\$6,724



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