

Major Policy Discussion:
**Texas Higher Education
Affordability**

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Affordability

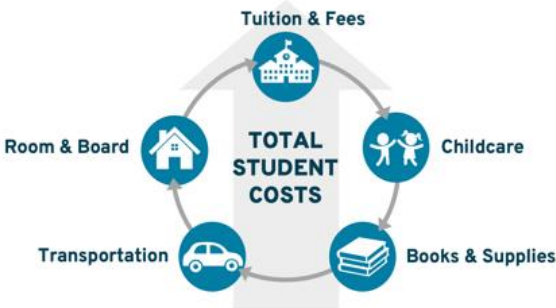
- Unpacking the cost of attendance to highlight the rising cost of non-tuition and fees related expenses
- Shared responsibility to ensure affordable higher education
- Place affordability in context to return on investment and opportunity costs

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Unpacking Cost of Attendance

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Rising Cost of Attendance (COA) in Texas



- Basic Living Expenses account for 62% of COA
- From 2021 to 2022,
 - Tuition and fees: 2.3% increase
 - Rent: 5 to 30% increase
 - Groceries: 13.5% increase
 - Childcare*: 5% increase
- Other expenses not considered
 - Medical expenses, insurance, utilities, internet, and cell phone

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Net vs. Sticker Price

Net price is a college’s sticker price for tuition and fees minus the grants, scholarships, and education tax benefits you receive.

$$\text{Net} = \text{Sticker} - (\text{Grants} + \text{Scholarships})$$

The net price for a particular college is specific to each student because it is based on personal circumstances and the college’s financial aid policies.

Net Price Calculator

THECB APPLICATIONS

The Texas Higher Education Coordinating Board provides a Net Price Calculator webpage to allow the general public the ability to access an **estimated** net price information for the institution they attend or plan to attend based on the user’s individual circumstances.

Shared Responsibility

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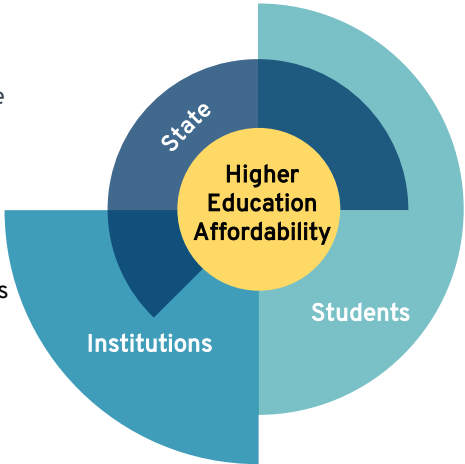
Shared Responsibility

State

Provide targeted financial aid and direct support to institutions to offset some of the costs of higher education for students to finance their education.

Institutions

Provide efficient pathways toward credentials of value, advise and support students during their journey, set tuition and fees at reasonable rates and provide financial aid.



Students

Pursue a credential of value by using a combination of levers (e.g., financial aid and working while enrolled) to persist toward their aspirations in a timely manner.

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State Financial Aid

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Financial Aid

- Texas currently invests more than \$600 million a year in student financial aid programs for the benefit of over 100,000 students. However, state financial aid has not kept pace with growing enrollments and student need.
- Exceptional Item Request – Financial Aid
 - The Coordinating Board is requesting an additional \$153M to maintain current levels of eligible students served by state financial aid programs, including innovative GEER-funded pilot programs.
- Innovative Strategies
 - **Texas Transfer Grant Program (GEER):** Improving access to financial aid for transfer students
 - **Texas Leadership Scholars Program (GEER):** Supporting high-achieving, low-income students
 - **Investments in Open Educational Resources (GEER):** Decreasing student textbook costs
 - **FORWARD Loan Program:** Providing low-interest loans for high-value, high-demand credentials

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Financial aid programs in Texas

- Toward Excellence, Access, and Success Grant (TEXAS Grant)
- Tuition Equalization Grant (TEG)
- Texas Educational Opportunity Grant (TEOG)
- Texas Armed Services Scholarship Program (TASSP)
- Texas Public Educational Grant (TPEG)
- Designated Tuition Set-Asides
- Texas College Work-Study Program (TCWS)
- College Access Loan (CAL)

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Student Debt

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Student debt is one of the metrics in Building a Talent Strong Texas

Postsecondary Credentials of Value

Credentials from Texas institutions of higher education must propel graduates into lasting, successful careers. These careers must equip them for continued learning and greater earning potential, with low or manageable debt.

TARGETS

- By 2030, 550,000 students will complete postsecondary credentials of value each year.
- By 2030, 95% of students will graduate with no undergraduate student debt or manageable levels of debt in relation to their potential earnings.

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Opportunity Costs and Return on Investment

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Challenging Decisions for Students

- More than 62% of all jobs will require education beyond high school
- Low unemployment rates (less than 4%)
- Hourly wage increases
 - Example: Popular gas station in Texas
 - Cashier (\$16 hour)
 - Food Service and Car Wash (\$19 per hour)
 - Team Lead (\$18 - \$21 per hour)
 - Department Manager (\$23 - \$31 per hour)
 - Benefits: 401k - 100% match up to 6%, 3 weeks paid off, and healthcare
- Rise in the costs associated with living
 - Rental property
 - Supply and demand issues in metropolitan areas
 - Average one-bedroom apartment cost per month: Dallas-\$1,500, Midland-\$1,300, and Austin-\$1,800
 - Groceries (\$300 to \$450 per month for one person)



Value Proposition of Student Success

A longitudinal study using earnings data to examine opportunity costs:

- to examine the return on investment in higher education
 - Short- and long-term ROI
- to determine the break-even point (BEP)
 - Number of years

