

**Testimony: Texas' Next Master Plan for Higher Education
Senate Higher Education Committee,
April 15, 2014**

The Center for Public Policy Priorities (CPPP) is a nonpartisan, nonprofit 501(c)(3) policy institute established in 1985 and committed to making a better Texas in the areas of health, education, and economic opportunity. We appreciate the opportunity to provide our comments on the next master plan for higher education in Texas.

Strategies for Promoting College Access and Success

Texas' higher education master plan is an important blueprint for our state to set goals for both young and adult learners aspiring to obtain a postsecondary degree or credential. By 2020, two-thirds (62 percent) of jobs in Texas will require additional training and education beyond high school, but at current college-going rates, Texas will fall short on college degree and certificate completion.¹ By 2025, only 38 percent of Texans are projected to obtain an Associate's Degree or higher.²

Today, two-thirds of adult Texans lack an associate's degree or higher, and our current college graduation rate lags behind other states, with just over half (51.7 percent) of Texas college students graduating within six years.³ College access and completion will continue to be a struggle for current and future students as more than 2.9 million (59 percent) of Texas students in the pre-K-12 public school system are economically disadvantaged and will lack the financial resources to pay for college unless Texas makes a commitment to ensure that all students, including those with the greatest financial need, have access to quality higher education.⁴

Although Texas has made progress towards the enrollment and degree attainment goals in our current higher education master plan, *Closing the Gaps by 2015 (CtG)*, college participation for Hispanic students lags behind other race/ethnic groups, and there are signs of declining persistence rates of all but one race/ethnic group of Texas college students.⁵

To promote economic mobility and strengthen the education and skills of Texans today and in the future, the state's next master plan should put a stronger focus on reducing the financial barriers to college access and completion. While *CtG* includes strategies to address the financial barriers to college participation, there are still far too many students in Texas that do not have adequate grant aid to cover the cost of attending college, and far too many students are dependent on student loans, aid that must be repaid, to finance college. Even with significant investments in state need-based grant aid since 2000, Texas invests the lowest amount in state grant aid compared to other large states, leaving Texas college student heavily

dependent on loans to finance college.⁶ In 2011-2012, loans accounted for 60 percent of student financial aid in Texas compared to 40 percent of aid in the form of grants.⁷ And over half (55 percent) of students graduating from public four-year colleges in Texas in 2012 left with debt, which averaged \$22,487.⁸

While loans increase college access for many students, too much reliance on debt can negatively impact a student's persistence in and completion from college, especially for lower-income students.⁹ And high levels of student loan debt can have negative financial consequences for students, impacting their ability to qualify for major purchases such as a home or car, and leaving them more vulnerable to delinquency and default.¹⁰

CPPP urges the Texas Legislature to set clear goals and strategies to reduce the financial barriers to college access and completion as a part of the state's next higher education master plan.

Goals and Strategies for Texas' Next Higher Education Master Plan

- **Reduce student loan dependence and student loan defaults.** To prepare Texas' workforce and future leaders, state policymakers and institutions of higher education must work together to reduce the financial barriers to student success through a more comprehensive approach of paying for postsecondary education. Strategies to increase college completion, while reducing student loan dependence and the state's loan default rate include:
 - Providing adequate state need-based grant aid to cover tuition, fees, and books for all students with financial need.
 - Ensure Texas' financial aid programs provide flexibility for students to attend part-time.
 - Providing loan counseling to all student loan borrowers in the state loan programs.
 - Supporting early college financial preparation through matched college savings accounts to encourage students to plan and prepare for college over the course of the education pipeline.
 - Ensuring that Texas' K-12 students and their families learn strategies to plan and pay for college. Texas should imbed postsecondary education financial preparation into the K-12 space to make it easier to transition into college and to encourage a college-going culture in the state.
- **Establish new metrics to track the success of low-income and nontraditional college students at the institutional and regional level.**

To better measure the state's progress in building a competitive and skilled workforce, the next master plan should set clear goals for promoting access and success for all Texas students, especially economically disadvantaged students and adult learners who lack a postsecondary

degree or credential. The Texas' plan should track the following student outcomes and set clear goals to increase college achievement for the following groups of students:

- **Low-Income Students:** Report and set goals for target enrollment and completion for Pell eligible students;
- **Nontraditional Students:** Report and set goals for target enrollment and completion of nontraditional students, ages 24 and older;
- **Part-Time Students:** Report and set goals for part-time degree-seeking students.
- **Underprepared Students:** Report and set goals for college completion for underprepared students needing developmental education; and
- **Bridges to postsecondary education for Adult Basic Education and Literacy Students:** Track and report the number of adult education students and GED completers transitioning into postsecondary education.
- **FAFSA Completion:** Report and set goals for FAFSA completion.

Please contact me with any questions regarding our comments, Helmcamp@cphp.org, (512) 823-2867.

Sincerely,

Leslie Helmcamp
Policy Analyst
Center for Public Policy Priorities

¹ Anthony P. Carnevale, Nicole Smith, Jeff Strohl, *Recovery: Job Growth and Education Requirements through 2020*, Georgetown Public Policy Institute, Center on Education and Workforce, June 2013.

² The Lumina Foundation, "A Stronger Nation Through Higher Education," Texas; and Demos and CPPP, *Texas' Investment in Higher Education Lags Behind Student Needs and Workforce Demands*, 2012.

³ THECB, *Texas Higher Education Almanac*, 2014.

⁴ Texas Education Agency.

⁵ THECB, *Closing the Gaps*, Spring 2013 Progress Report, June 2013, page 8-10.

⁶ TG, *State of Student Aid and Higher Education in Texas*, January 2014, page 43; and National Association of State Student Grant and Aid Program, *43rd Annual Survey Report on State Sponsored Student Financial Aid*, 2013.

⁷ TG, page 38.

⁸ The Project on Student Debt, *Student Debt and the Class of 2012*. Web. <http://projectonstudentdebt.org/>.

⁹ Rachel E. Dwyer, Laura McCloud, Randy Hodson, *Debt and Graduation from American Universities*, Social Forces Advance Access, June 2015; and Jen Mishory, Rory O'Sullivan, Young Invincibles, *Denied: The Impact of Student Debt on the Ability to Buy a House*, 2012, web. <http://younginvincibles.org/wp-content/uploads/2012/08/Denied-The-Impact-of-Student-Debt-on-the-Ability-to-Buy-a-House-8.14.12.pdf>.

¹⁰ Robert Hiltonsmith, *At What Cost: How Student Debt Reduces Lifetime Wealth*, Demos, 2013. Web.

<http://www.demos.org/what-cost-how-student-debt-reduces-lifetime-wealth>; and Young Invincibles (see note 8).