

Affordability

PRESENTATION TO THE
CHANCELLOR'S CENTURY COUNCIL
THE TEXAS A&M UNIVERSITY SYSTEM



James Hallmark

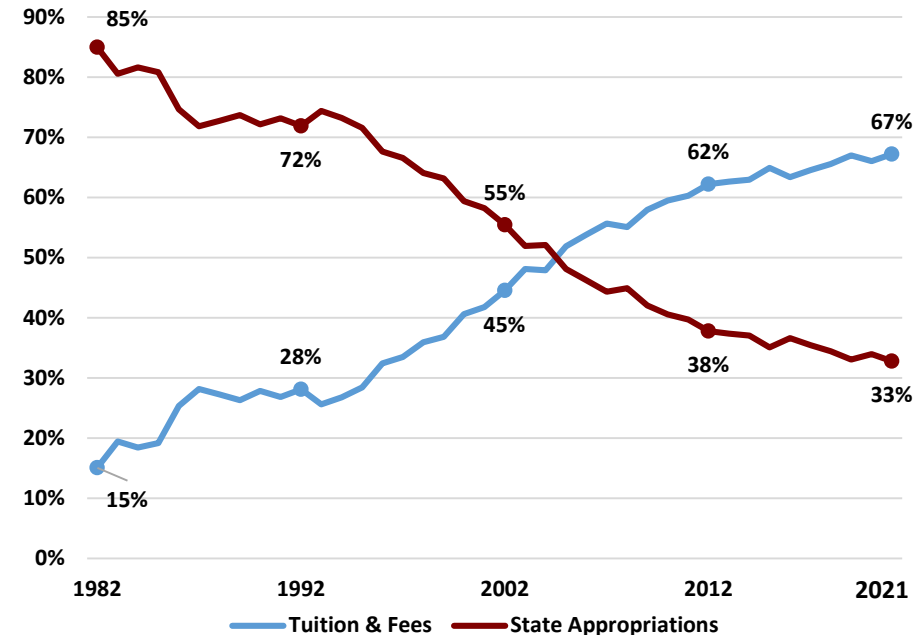
March 3, 2023

Shift in State Funding Strategies

The decline in state appropriations to Higher Education is a long-term trend in Texas.

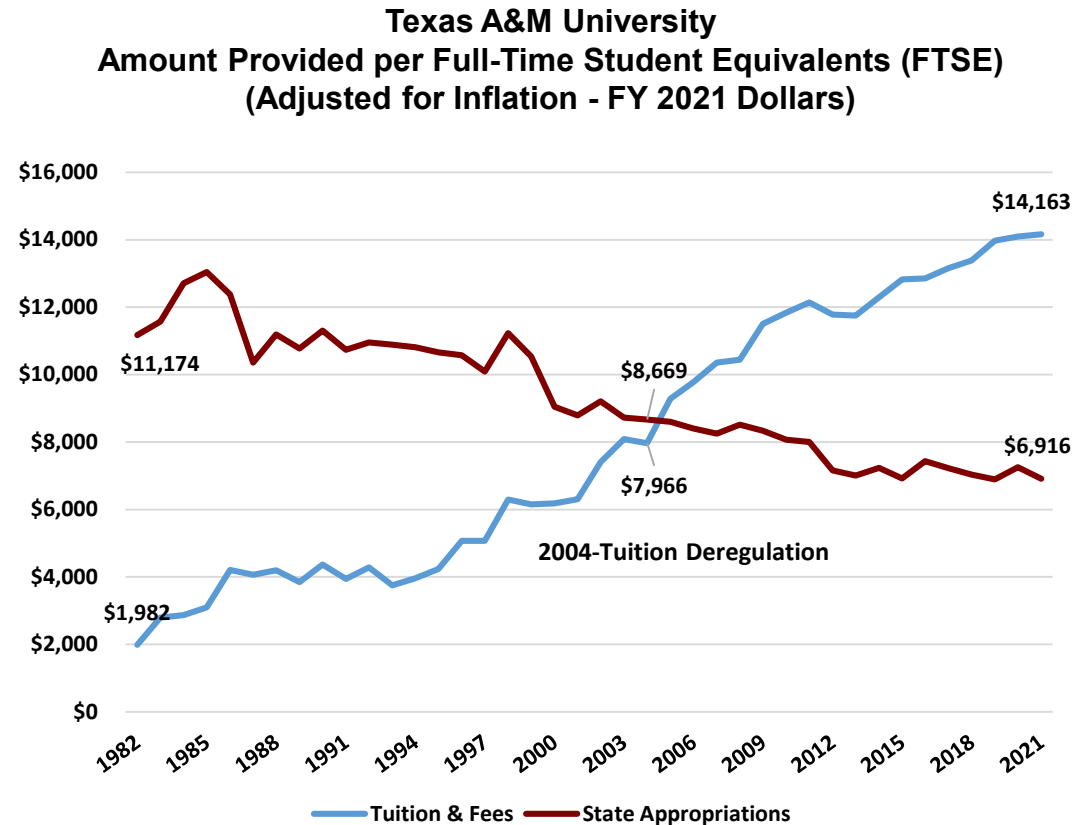
- In 1982, the state provided \$11,174 per FTSE after adjustment for inflation.
- At the same time, the tuition and fees paid by families and other third parties (scholarships, grants, etc.) has increased from \$1,982 per FTSE to \$14,163 per FTSE.
- **In 1982, the state provided 85% of the cost for a student. Today, it provides a third.**
- The trend accelerated after 2004 and tuition deregulation.
- It also accelerated after the Recession in 2011.

Texas A&M University
Percentage Education Costs Covered by Tuition & Fees and
State Appropriations
(Adjusted for Inflation - FY 2021 Dollars)



The Tuition and Fee Squeeze

- With state appropriations declining as a share of the cost of education . . .
- And financial aid growth stagnant or declining . . .
- Tuition and fees and other sources—like loans—have, in effect, been required to do double duty—making up for losses in other sources and covering rising university costs for staffing, information technology, compliance, and other value added services.



What has been done...

- The state and the System have increased the amount of aid available.
- This Board has provided a Guaranteed Tuition & Fee Option, Regents' Grants (\$30 million), and Regents' Scholarships (\$100 million).
- The Chancellor has implemented Systemwide cost control measures.
- The Board has limited tuition growth: Over the last 10 years TAMU growth has average 2.65% annually and by an average of 2.46% over the last five years. (HEPI growth was 2.66% over 10 years and 2.31% over 5 years.)
- **BUT, no efforts to date have been able to entirely keep pace or reverse the effects of declining state appropriations and the stagnation of federal grant aid.**

**No tuition
and fee rate
increases.**



Some progress has been made...

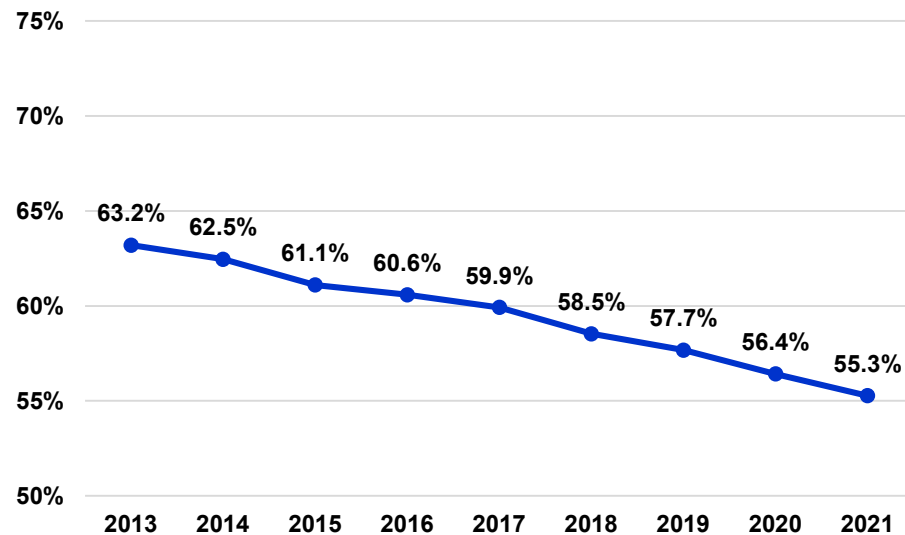
- Media headlines frequently highlight the anecdotal and tragic outliers, as well as co-mingle graduate debt with undergraduate debt, and that of private schools.
- The average debt of Texas public university bachelor's degree graduates in 2020 was \$25,207.
- **The average debt of Texas public university bachelor's degree graduates peaked in 2014 and has declined every year since.**
- And, the percentage of students graduating with bachelor's degrees at Texas public universities that have any debt has also declined every year since 2013.

The Bottom Line: Graduating (with any degree) with excessive debt can have lifetime consequences. However, the student debt trends at Texas public universities are very encouraging signs that our institutions and our students continue to take this issue seriously and make smart choices.

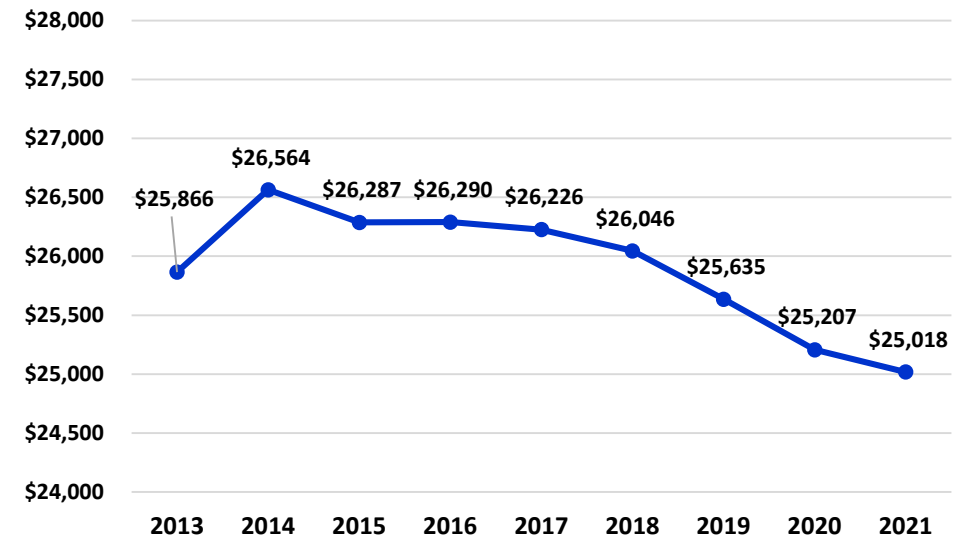


Progress (cont'd.)

**Texas Public Universities
Percentage of Bachelor's Degree
Graduates with Debt**



**Texas Public Universities
Average Student Debt of those Students
Graduating with Debt**



But more can—and should—be done

Source Data: THECB Accountability System

The Texas A&M University System



TAMUS Affordability Package (Proposed)

- **Four “buckets” for classifying “Cost of Attendance”**
 - Tuition and Fees
 - Room and Board
 - Books and Supplies
 - Other Expenses
- **Three Key Student Challenges**
 - Unexpected Expenses
 - Mental Health
 - Advising



Questions Discussion

