

Testimony  
Senate Finance Higher Education Subcommittee  
Senator Judith Zaffirini, Chair  
May 28, 2008

Good day. I am Dr. Carol Carlson Gunn, Vice Chair of the Midwestern State University Board of Regents. It is my pleasure to appear before you to speak about tuition deregulation.

As an institution, Midwestern knows who it is and takes pride in the niche that it occupies in Texas higher education. Though Midwestern has been awarded multiple millions of dollars in grants over the past several years, we are not a major research institution. Our mission is to provide the state of Texas with a well-educated work force and a brain trust of enlightened citizens to lead our communities, state, and nation, and to prepare students for graduate study at major research institutions.

The MSU student body is becoming younger and increasingly residential, with large numbers coming from metropolitan areas of the state, including the Dallas-Fort Worth Metroplex. Enrollment stands at just over 6,000 baccalaureate and master's level students.

Regarding tuition deregulation, I believe that my comments represent the view of my fellow Midwestern State University regents as well as that of the university's administration. First, we believe that tuition deregulation was a necessity. The state's budgetary shortfall in 2003 left little to fund the state's 35 general academic universities. Passing legislation that would enable universities to create income by setting their own local tuition rates was the only way for public universities to remain stable and do so with generally negligible decline in quality in the short term. Deregulation did more than simply get us through a crisis in funding. In our own instance, it led us to more thoroughly analyze our priorities and consider them in light of our resources.

The MSU board and administration, however, do not believe that tuition deregulation can ensure the long-term health of the state's senior public universities. We believe that tuition deregulation must be accompanied by a significant increase in the state's base funding of basic university operations. In the last biennium, the state allocated only 10% of the total university allocation for base funding. Predictable, consistent base funding is fundamental to the health of all the state's universities, not just MSU. It provides money for instruction, laboratory supplies, maintenance contracts on scientific equipment, faculty raises, and utilities. If base funding of these areas remains flat, as it has for the past several years, universities will have no choice but to continue to increase tuition and fees. Even then, universities will remain underfunded, while the burden upon their students grows.

We fear that if rising tuition rates persist, a significant number of students from middle-income families—those who earn too much to qualify for Pell Grants and too little to pay for high tuition rates, and those not at the very front of the line when Texas Grant money is passed out—will be shut out of a university education. Inevitably, many students will grow weary of their protracted pursuit of a university degree and spend the remainder of their lives in low-paying jobs without retirement plans and health coverage.

Concerning the aforementioned Texas Grant program. It is a fine program, but it is also greatly underfunded. Financial aid officers at our institution report that the demand for Texas Grant money far exceeds its availability. The same is likely true at other universities around the state. The legislature did a good thing in creating the fund. It needs only to recognize the need to expand the program's pool of money.

Has higher tuition had an effect upon enrollment in Texas universities? Enrollment figures from across the 35 general academic universities of Texas have been near flat for the past four to five years, the same general period in which tuition deregulation has been in place. There does appear to be a correlation between the two. Reason tells us that the two are connected.

That we cannot prove a cause and effect relationship exists does not mean, however, that we should not be concerned about escalating tuition rates. We should be concerned; we must be concerned, for surely there is a limit to the price that students and their families can bear. At the same time, we must also be concerned about the on-going enterprise of running quality universities. We must be concerned that university boards, presidents, and chancellors are provided consistent, predictable funding for the basic operation of their institutions.

We must maintain tuition at rates that students can afford, and we must fund universities equitably.