

The Office of Graduate Studies



UNIVERSITY OF
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The Path Forward in Texas: HB 51
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The Path Forward

- Path Forward's Fundamental Assumption:
 - U.S. economic competitiveness rests on producing graduate degree holders with advanced knowledge and skills prepared to function in the 21st-century knowledge-based economy
 - Number of jobs requiring an advanced degree to grow by about 2.5M by 2018: masters +18% PhD's +17%
- Recommendations to Universities:
 - Continue efforts to improve completion rates, especially at the doctoral level
 - Clarify varied career pathways for doctoral students

Roadblocks in the Path to the Recommendations*

- High attrition [35-50%] and slow completion [30-60% in 7 years] in Ph.D. programs
- Low visibility of attractive career paths outside of the academy for doctoral graduates
- Lack of attention to nontraditional skills, e.g. ability to acquire new skills, hybrid training, intercultural and international competence
- Significant student debt at graduation: Bachelors \$20K, Master's \$50K, Doctorate \$75K
- Under represented minorities (URMs) go to graduate school at half the rate of whites

*Source: Bob Sowell, THECB-GEAC, November 2010

The Path Forward in Texas

- Recent efforts in Texas are consistent with the Path Forward's specific recommendations for universities
- THECB has designated 7 “emerging research universities” (ERUs): TTech, Houston, UNT, UTA, UTD, UTEP, and UTSA
- Consensus: Texas has Rice, A&M, & UT Austin but needs more national research universities to undertake research with economic development potential and to train future faculty and researchers
- Texas receives \$3.7B per year less than its share based on population of Federal R&D and venture capital dollars*
- Texas attracts 4K H.S. students from other states to Ph.D. granting universities but loses 10K H.S. students*
- Texas does not have nearly as many top scientists and engineers as some other states*

*Source: David Daniel, UTD, White Paper, 2008.

HB 51

- In 2009, Texas enacted HB 51, landmark omnibus higher education law that provides an acceptable political solution to building additional national research universities
- TRBs for Texas A&M-Galveston and UT Medical Branch at Galveston for Hurricane Ike renovations
- Creates program excellence grant program for institutions that are not research universities or ERUs
- Allocates annual \$262.5M to authorized institutions for FY 2011-2015 from general revenue instead of the constitutionally-dedicated Higher Education Fund
- Creates university performance incentive funding: at-risk student enrollments and student graduation rates in critical fields

HB 51

- Heart of HB 51: Converts Higher Education Fund (HEF) to the National Research University Fund (NRUF) with voter approval in Fall 2009
- Specifies ERU eligibility criteria for NRUF funds to support research
- Creates Texas Research Incentive Program (TRIP) for matching of eligible gifts to enhance research at ERUs
- Creates Research University Development Fund (RUDF) for faculty recruiting and retention and enhancing research at A&M, Austin, and ERUs: Based on research expenditures

NRUF Eligibility Criteria

- NRUF: Initial gateway is \$45M in restricted research expenditures
- An ERU must then satisfy 4 of the following 6 criteria:
 - 1) Endowment of \$400M or more
 - 2) Awards 200 PhDs or more
 - 3) Entering class demonstrates high academic achievement
 - 4) Member of ARL or has Phi Beta Kappa chapter or has received equivalent recognition (Phi Kappa Phi)
 - 5) Has high quality faculty
 - 6) Has high quality graduate programs
- In consultation with ERUs, THECB is developing standards for these criteria

Follow the Money: HB 51 Funding in FY10 & FY11

- Excellence in Specific Programs: No funding
- Performance Incentive: \$40M in each of 2 years (ARRA Funds)
- HEF Allocation: \$262.5M in each of 2 years (General Revenue)
- RUDF: No funding
- TRIP: \$25M in each of two years
- NRUF: No distributions until FY 2012. Corpus is about \$584M and generates 4.5% to 8% income annually
- HB 51 does not address how much first ERU meeting criteria will be awarded in FY 2012
- Texas faces \$17B-\$25B deficit for FY12 and FY13
- 2011 legislative session unlikely to add new funds to HB 51

Impact of HB 51

- All 7 ERUs concentrating on 6 criteria and core mission of a research university regardless of what occurs in 2011 Texas legislative session
- All 7 ERUs becoming better institutions in ways consistent with Path Forward recommendations for improving doctoral education and completion rates
- THECB and GEAC improved review of new Ph.D. program proposals, created Ph.D. program reporting, improved reporting and policies for program review and low producing programs
- Recently, CGS's Sowell briefed GEAC on Path Forward as part of discussion of GEAC's next steps