



REAFFIRMING TUITION DEREGULATION

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A Limited Government LIFT Commentary

Higher education will always lose out when it has to compete for funding with health care programs like Medicaid and CHIP and other state functions such as public schools, social services and transportation. Colleges must retain control over tuition so that they can continue to operate world-class learning and research institutions.

Reaffirming Tuition Deregulation

GUEST COLUMN IN THE SAN ANTONIO EXPRESS-NEWS

BY TOM ALDRED

BACKGROUND

Sen. Juan Hinojosa, D-McAllen, believes that higher education tuition should be re-regulated.

In a recent commentary in the Express-News, Sen. Hinojosa contended that rising tuition costs since deregulation in 2003 are making college unaffordable for many Texans.

The facts, however, indicate that a four-year college education is well within reach of even low-income Texans. The number of students from Texas' lowest income counties attending public universities has increased by 23.7 percent since 2002, which is almost double the rate of population growth in those counties. Such growth refutes Hinojosa's assertion that "tuition deregulation is making college less accessible."

Flexibility for Colleges

In fact, deregulation afforded colleges the opportunity to craft tuition packages to meet various student needs. The University of Texas at Austin was able to introduce flat-rate tuition, which allows students to pay for just the first 14 credits hours they take each semester. Any hours taken on top of those are free. This gives students an unprecedented opportunity to take more classes, and even graduate sooner. UT Dallas created a guaranteed tuition program that gives students the same tuition rate for each year of their degree. None of these innovations would have been possible without deregulation.

Tuition Still Competitive

Furthermore, while the cost of tuition has increased since the Legislature deregulated higher education in 2003, the increases are similar to those recorded prior to deregulation. According to the Southern Regional Education Board, the average cost of in-state tuition at a Texas four-year college increased by 33 percent between 2002-03 (the last year of regulated tuition) and 2006-07. In the four-year period before deregulation, tuition costs rose by 23 percent, and in the four years before that (1994-95 to 1998-99),

regulated tuition rose by 35 percent. In this context, the tuition increases seen since deregulation are not extraordinary.

Indeed, tuition at public universities in Texas is still highly competitive. The average cost of tuition for undergraduate students enrolled in 30 semester credit hours per year at Texas public four-year institutions was \$5,897 in the 2007-08 school year, which is below the national average of \$6,185.

Average tuition at a private university in Texas costs \$17,392. When the cost of tuition at a public university is considered in this context, it is clear that attending a public university in Texas remains an excellent value. According to the U.S. News and World Report 2008 rankings, Texas' two largest public universities — UT and Texas A&M — offer a higher quality education than all but one of their private counterparts (Rice), but at a fraction of the cost.

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The argument against tuition deregulation also ignores the reality of competitiveness among universities. In May, Texas Tech regents announced that “Texas Tech has an unusual opportunity this year to freeze tuition and fees and give the families of our current and incoming students a financial break.” This is groundbreaking. The board of regents of a public university has decided to use the tuition-setting powers it was granted by the Legislature in 2003 to freeze tuition rates. This would not have been possible without deregulation.

Higher Education vs. Budget Priorities

Earlier this year, Rod Mabry, president of UT Tyler, argued that tuition deregulation has “enabled UT Austin and other flagship universities to raise needed funds to continue to hire top professors in a highly competitive and ever-more-expensive world market for faculty.” Returning control of university funding to the Legislature would undermine this advance and would put higher education in competition with other legislative priorities.

Higher education will always lose out when it has to compete with health care programs like Medicaid and CHIP and other state functions such as public schools, social services and transportation. Colleges must retain control over tuition so that they can continue to operate world-class learning and research institutions.

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It can be accessed online here:

<http://www.mysanantonio.com/opinion/stories/MYSA.061208.OPEdaldredcomment.24d9a75.html>

A similar version of the commentary also appeared in the Amarillo Globe-News on June 12, 2008.