



MAINTAINING ACCESS AND COMPETITIVENESS

Keeping Texas Competitive

As the economy becomes increasingly globalized and knowledge-based, the importance of high quality postsecondary education is on the rise. Quality programs at universities attract the brightest students, the best faculty, and the research and industry that drive the economy.

California

9 universities--6 public--in U.S. News Top 50 "Best Colleges"

Tuition at public universities:
\$13,000 - \$14,000



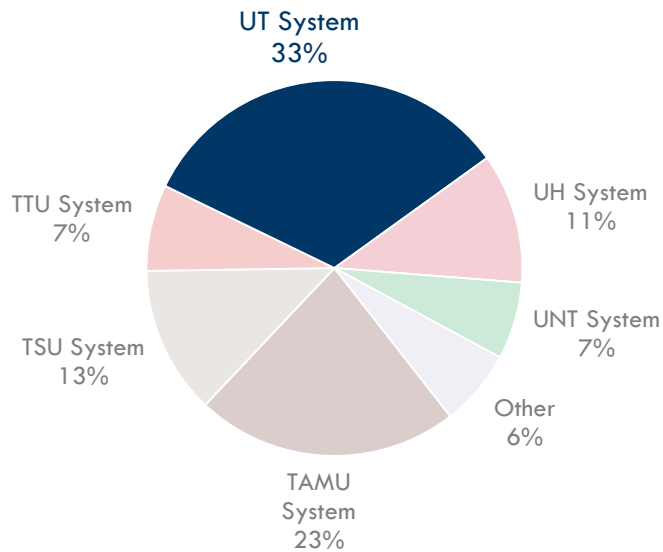
Texas

1 university--0 public--in U.S. News Top 50 "Best Colleges"

UT Austin ranked **#52**

Tuition at UT Austin is around **\$10,000** even with modest increases for fall 2016

Undergraduate Headcount, Fall 2015 Academic Institutions in TX Higher Ed Systems



UT System Impact: GAIs & HRIs

student success

last year UT System awarded **51K** DEGREES

37% of all degrees in Texas

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research expenditures by UT System

\$2.7 BILLION

#2 in the U.S. for higher education **#1** in TX

high-demand fields

40% of degrees awarded by UT System are **STEM**

science, technology, engineering, math, health majors

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Competing successfully on a national and global level requires access to core revenue. And in an environment of declining general revenue per student, the fact is that tuition and fees are the single greatest component of core operating revenue (27.5%).

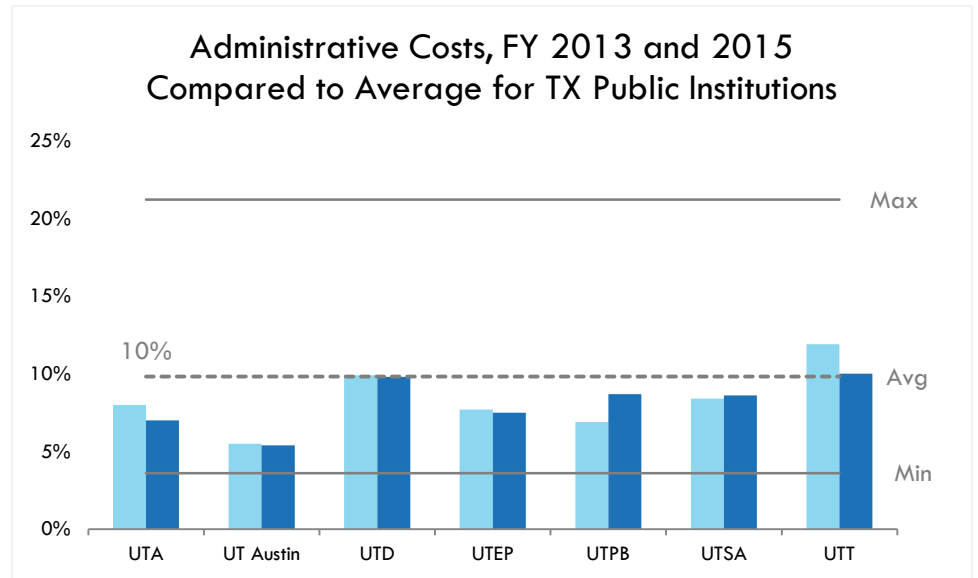


Ensuring an Affordable Quality Education

UT System strives to balance the costs of the drive for excellence with the need to remain affordable.

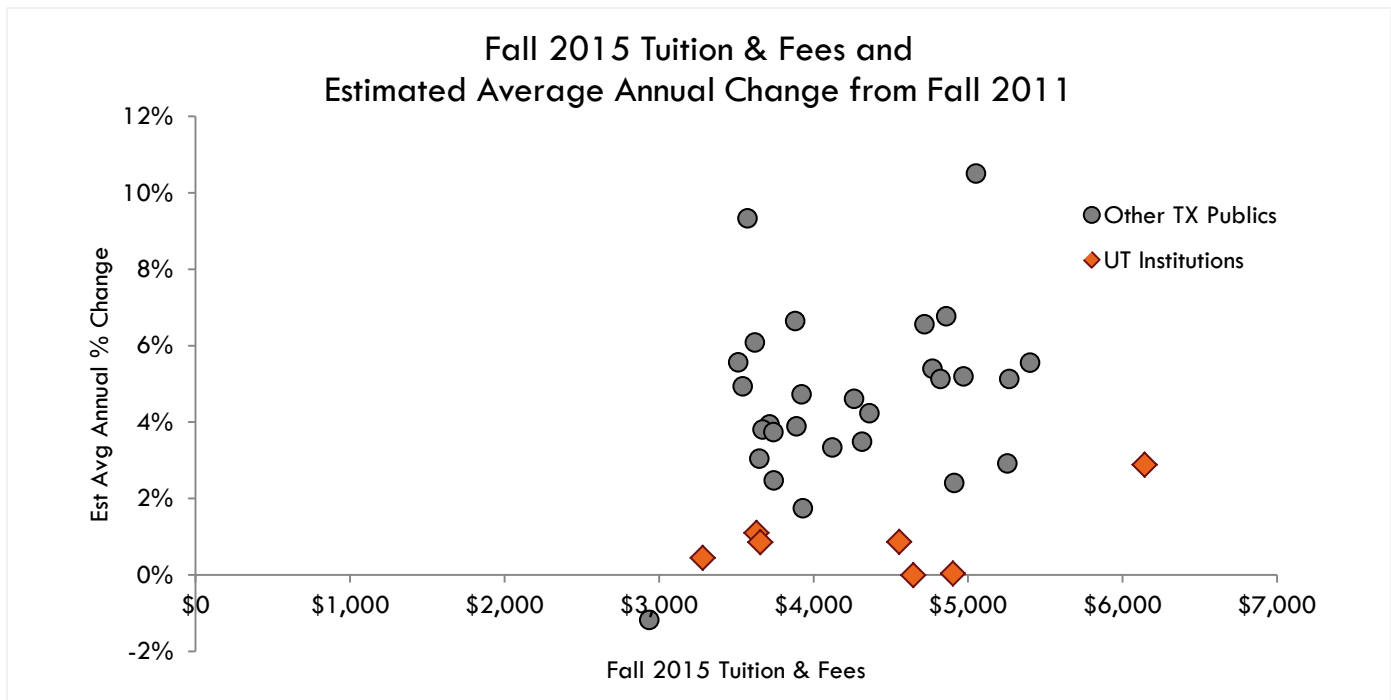
Keeping Costs Down

UT System academic institutions are working to keep costs down. For most institutions, administrative costs declined as a portion of the operating budget between 2013 and 2015. All of these institutions are at or below the state average of 10%.



Tuition & Financial Aid

Tuition and fees—the portion of costs that colleges control—are only about 40 percent of the full cost of attending college.



UT System Regents have, for the past several years, held tuition to little or no increases, reflected in the fact that UT System academic institutions have some of the lowest average annual change in tuition and fees since fall 2011.



How are New Tuition Dollars Going to be Used?



Student Success Initiatives designed to improve access, retention, and time to degree. Initiatives include supplemental instruction; advising, tutoring, and mentoring; and student engagement programs



Faculty Support - Support current faculty, recruit new faculty, and improve competitiveness and research

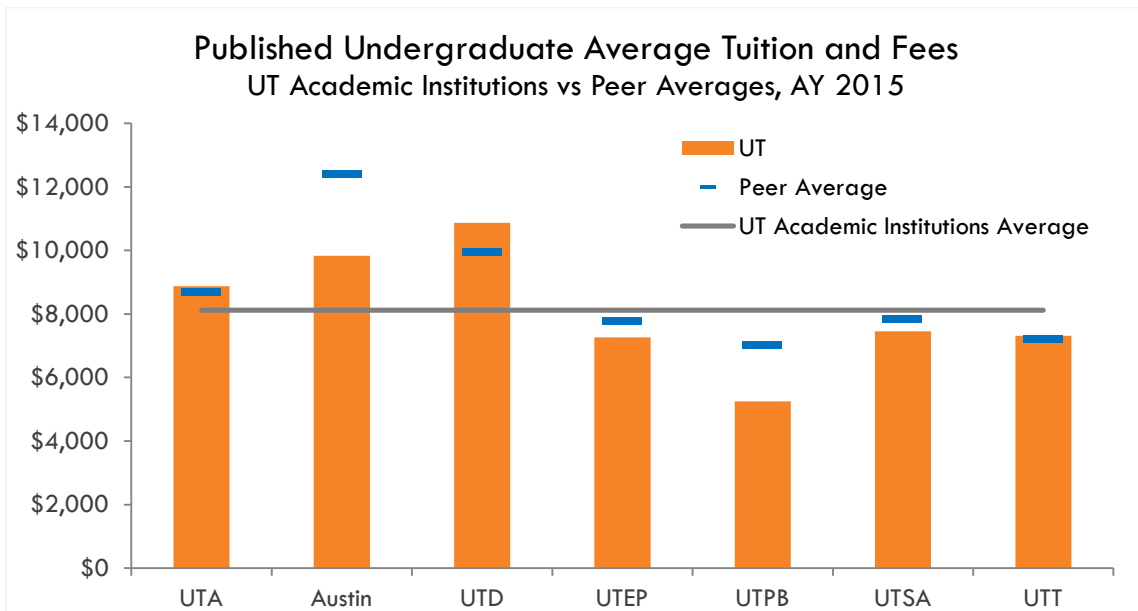


Enhancing Student Services - Improve the quality of life and the campus environment for students by improving access to medical and mental health care, establish sustainability initiatives, and enhance transportation and shuttle services



Infrastructure and Technology Support to keep pace with the costs of technology, improve and enhance wireless access, and further access to online and hybrid education

Tuition and fees at UT System institutions are at or well below that of our peers.

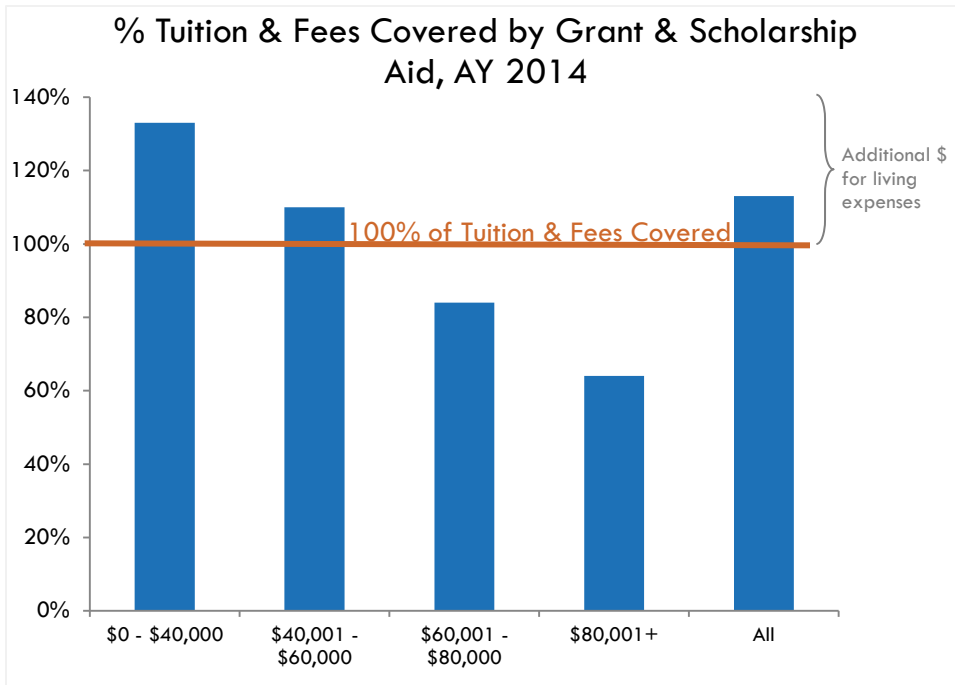


Note about the peers

A set of institutions which are similar to each other in baseline characteristics such as size, student and faculty characteristics, academic programs, and research emphases. The UT System used nationally recognized best-practice statistical methodology to identify a baseline group of similar institutions for our academic universities. These baseline comparisons groups are used to benchmark performance nationally.



Financial aid is critical to keeping our campuses affordable.



Over 60 percent of UT System full-time undergraduates receive grant, scholarship or tuition waiver aid. For families making less than \$60,000, this aid covers 100% of tuition and fees AND provides some additional money to be used for other expenses such as room and board, transportation, etc. For families making above \$80,000, this aid covers about two-thirds of the cost of tuition and fees.

Still, even with grants, scholarships and tuition waivers, well over half of UT System undergraduates borrow. However, on average, our graduates have borrowed less than both the national and state averages, with average loan payments of less than \$200 per month. The debt-to-income ratio of UT graduates is, on average, 5.3% one year after graduation, well below the 9% threshold for moderately risky and even slightly below the 6% threshold that is considered cautious borrowing.

investing in education

est. median monthly gross wage for graduates with bachelor's degrees from UT academic institutions

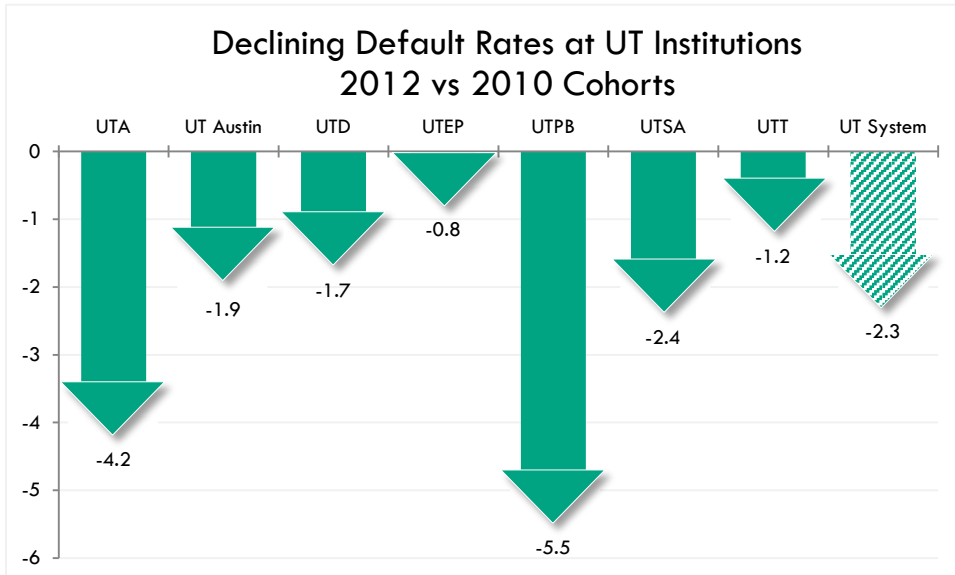
\$3,604 per month after one year

\$4,946 per month after ten years

est. avg monthly loan payment

\$189

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Default rates at UT academic institutions are declining. Conservative debt-to-income ratios for graduates help keep default rates for UT System academic institutions below state and national levels.



Ensuring an Affordable Quality Education



UTEP has the lowest average net price among U.S. research universities



UTPB guarantees four years of free tuition and fees to Pell-eligible students whose family income is less than \$60,000 a year



UTRGV budgeted \$1.5 million for a money management and financial literacy initiative for at-risk students seeking loans



UTSA has reduced its net price to students over the last three years



UTT employs several programs specifically aimed at reducing time to degree, recognizing that time to degree is the single biggest factor in reducing the cost of higher education

Demonstrating a Return on Investment

A college graduate will earn 73% more—or \$1 million more—over their lifetime than a high school graduate. For example, after one year of working in Texas, a UT graduate earned, on average, \$44,000. And by the tenth year after graduation—often the point when a student loan has been paid off—that graduate’s earnings have increased to \$60,000 per year. Compare that to high school graduates who earn, on average, \$24,000 per year.

