

Testimony of William H. McRaven
Chancellor, The University of Texas System
Before the House Committee on Higher Education
May 17, 2017

***Delivered remarks often deviate from prepared remarks*

Good morning, Chairman Lozano and members of the committee. My name is Bill McRaven and I am chancellor of The University of Texas System.

Thank you for giving me an opportunity to talk to the committee about Senate Bill 19.

After authority to set tuition was delegated to the regents in 2003, there were some initial significant increases. But the recent history shows the UT Board of Regents has been conservative in setting tuition and a good steward of its responsibility.

For example:

In constant dollars net tuition at UT Austin was \$500 less in 2015 than it was in 2004.

2016 tuition and fees are lower at UT Austin than six other Texas public universities.

Our tuition increases have been among the lowest in the state, averaging 3.5% to 10% between 2011 to 2016, and most UT System in-state undergraduate students saw little or no increase in tuition since the fall of 2012.

Tuition for 2017 will increase 2% for inflation, with additional increases of zero to 4% that were approved by the Board only after each president demonstrated and committed to improvements in performance.

Campus administrative costs as a percentage of the operating budgets have decreased over the last six years for most of our universities, and all of our administrative costs are at or below the state average.

We want to remain affordable but we also must stay competitive.

That's why SB 19 causes us some concerns.

With what we expect to see in the state budget for higher education for the 2018-2019 biennium – but still hope is not the case – the authority to adjust tuition to provide necessary operational

revenue is key, especially to recruit and retain faculty, to educate students to meet the goals of 60X30TX, and to maintain excellence.

The rollback of tuition that has already been approved for 2017-2018, and then the freezing of those tuition rates for two more years, through spring 2020, would mean that UT institutions would not have over \$100 million available for our operations.

With all due respect to the Legislature, I would offer that regents are still in the best position to assess the unique needs of each institution of higher education in the state. The diversity of our institutions makes it so that one size does not fit all.

Thank you for your time today and I will be glad to answer any questions.