



Testimony of James B. Milliken

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SENATE FINANCE COMMITTEE

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(as prepared)

INTRODUCTION

Thank you, Chairman Eltife. And thank you, Madame Chairman and members of the Senate Finance Committee. I am JB Milliken and it is my honor to join you on behalf of The University of Texas System.

The people of the state of Texas, through their elected leaders, have made significant investments in public higher education, which has been key to our state's success. Last session, your support of funding formulas, along with enrollment growth, was critical. Your creation of new mission specific formulas that recognize the success of our health-related institutions was another important move. And your strategic investment in the Child Mental Health Consortium has been a game changer.

Your support proved especially critical during the last, extraordinary year. The tragedy of lost lives and severe illness, the disruption to businesses and livelihoods, and the toll on families and our education systems from the youngest learners on, has been devastating. But the response throughout society, including our university system has been heartening. I am convinced that with the rapid development and deployment of vaccines, the pent up economic demand, investment in our institutions, and the resiliency of Texans, we will emerge stronger than ever.

Like most everyone in Texas, UT communities had their lives and routines disrupted last week. I'm pleased to report that today all 14 UT institutions are back in business—educating students, treating patients, conducting important research and continuing to help the people of Texas through the pandemic. I am grateful to everyone across the UT System who stepped up, once again, to keep our people and institutions safe through a very challenging week.

LESSONS

The events of the last year have taken a human and financial toll on the UT institutions. But we've also learned a lot during the past twelve months.

One important thing I've seen first-hand is that our faculty, staff and students can be extraordinarily resilient and adaptable. Prior to last March, fewer than 20% of UT System faculty had ever taught online, and just 40% of students had taken a single course online. Almost overnight, 100% of both faculty and students were online.

And they didn't just get along; they were enormously successful.

Despite the challenges, the vast majority of our students have been able to continue their education. The number of UT students who earned a degree in the spring was up 5% versus 2019. Summer enrollment was up an astounding 23%. And, in contrast to the national trend – which was a decline in enrollment – last fall's enrollment across the 14 UT institutions was up 2%, with freshman enrollment up at 6 of the 8 academic institutions. The investment in infrastructure and faculty training and embrace of online learning will not be for naught; we will all benefit from it. While we all yearn for in-person education, it will never be exactly the same as it was in 2019.

Beginning last March, our health institutions suspended much research not related to the pandemic, as well as all elective and non-emergency procedures and hospital admissions. While those changes were temporary, another important change – the increased use of telemedicine – is likely here to stay, and that's a very good thing for Texans. In 2019, UT health institutions conducted under 1,000 telemedicine appointments. From March 1 through December 31 of 2020, UT institutions conducted more than one million telemedicine appointments. That's a thousand-fold increase year over year.

Our six health institutions – eight, when you include the medical schools at UT Austin and UTRGV – have been vital to our state's health and recovery. They have been fully engaged doing COVID-19 testing and providing treatment to the people of Texas. And four of our health institutions are among the top vaccine providers statewide.

The UT research enterprise has never been more important. UT health and academic institutions launched over 300 COVID-19 related research and technology development projects, with more than 100 focused on therapies and dozens more on vaccine development. These include the work of UT Austin's Dr. Jason McLellan and his team, which has provided the underlying science key to 4 of the national vaccines developed.

Not all of the lessons were positive, and the pandemic revealed challenges we face with availability of Internet access, whether because of broadband limitations, subscription costs, or hardware ownership. According to the Texas Demographic Center, 1.6 million households in the state lack reliable Internet service. This includes the homes of approximately one in five UT institution undergraduates. For many students – especially those from low-income families – the shift to remote learning presented an additional obstacle between them and a degree. Bridging the digital divide will unlock potential and productivity gains we've only caught a glimpse of during the past year – in remote delivery of education as well as health care, and in working remotely.

Also, we are experiencing historic unemployment rates, and many who lost their jobs will have a hard time finding employment in the future unless they can learn new skills. I believe that the job of reskilling and upskilling workers, whether displaced older workers or recent graduates, is the responsibility of all of post-secondary education, including our universities. Our presidents and I are working to identify and develop best-in-class programs for credentials and skills, recognized by industry, so we can offer them to students and graduates throughout their careers. This is especially timely given of what we know about the future of work, including the expansion of artificial intelligence, robotics and outsourcing.

Part of helping students and families prepare for graduates' careers is by telling them all we know about educational choices. The UT System is a national leader when it comes to collecting, analyzing and sharing this important information. Our seekUT website provides salary and debt data of all undergraduate and graduate students, by degree program, up to 10 years after college graduation. Students and parents can get information they need – based on the actual experiences of recent graduates – to set realistic debt and income expectations, based on institution, major, and job location.

The potential silver linings and the lessons learned in this painful year can, with the right investments, enable our institutions to be more resilient and better prepared to serve a Texas population that may double in the decades to come.

LEGISLATIVE PRIORITIES

The UT presidents will share with you the specific priorities and needs of their institutions. I will focus on a few key areas that affect all or most of our institutions.

Formula Funding

Formula Funding is at the top of the list, providing an equitable and predictable source of the funds our institutions leverage many times over to support their critical missions.

Unfortunately, as you know, state funding per student has been on the decline for many years. For academic institutions, General Revenue funding per student is less than it was in the 2002-03 biennium. Last session, you took a great step by adding funding into the formulas to accommodate enrollment growth. We thank you for the investment you've made in the base bill, and we ask that you consider maintaining the formula rates so that the work done last session to fully fund enrollment growth is sustained.

Non-formula Support

Non-formula support also provides for a wide range of programs that directly benefit our students, and our economy. Many essential activities cannot be sustained without it, and we support continued funding of these items. These items were part of the state's requested 5% cuts and we ask you that you consider restoring those to at least the levels provided in the 2020-2021 biennium.

Research Support

In addition to the important COVID-19 research, it's hard to miss the other ways Texas's investments in research over the years have contributed to our state's prosperity. Companies like Tesla and Apple and Oracle and Hewlett-Packard and others—as well as the Army Futures Command, headquartered a few blocks away in the UT System building—recognize the value of research universities and the human capital they produce and attract. UT institutions are a big part of that. At more than \$3 billion annually, the UT System's research enterprise is second only to the University of California System. Life-changing and life-saving research and invention of new technologies regularly place UT institutions among the top 10 world's most innovative universities, according to Reuters and the National Academy of Inventors.

There's no more impactful example of state-supported research than the Cancer Prevention and Research Institute of Texas, which has awarded more than \$2.6 billion to help end cancer. About half has gone to UT institutions, including UT MD Anderson, the world's leading cancer center.

Research-based formula funding is especially key to the future of UT Austin, and that of our four emerging research institutions and health related institutions. We request that you consider additional investments in all of the higher education research formulas as well as programs such as the Texas Research University Fund (TRUF), Texas Research Incentive Program (TRIP), and the National Research University Fund (NRUF).

TRBs

Tuition Revenue Bonds for capital projects on our campuses has always been a high priority. There is no question we need to increase our capacity in a rapidly growing state, renovate aging facilities and provide more technologically equipped classrooms and laboratories. The legislature may determine that TRBs can also be an economic driver for our local communities, creating jobs in a tough market. Our institutions have identified their most critical needs should this be a priority for the state.

Texas Grants

Finally, I know everyone in this room is concerned with affordability, and making a high quality education accessible to everyone with a desire to learn. So, we support any increase in funding for student financial aid, such as TEXAS Grants.

There is much more to discuss, of course, so let me just close by thanking all of you for your service to the people of Texas. I'll be happy to answer any questions.
