

Chancellor Milliken Testimony to the Texas House Appropriations Subcommittee on Higher Education on Feb. 21, 2023

Mr. Chairman, members of the committee, thank you for the opportunity to appear today. I am J.B. Milliken, chancellor of The University of Texas System, the largest in Texas, with 245,000 students from nearly every county in Texas. The UT System is also the largest provider of medical education, accounting for over 60 percent of the state's medical degrees, as well as serving health care needs with more than 10.6 million patient visits in 2021.

We were established in the Texas Constitution in 1876, which called for the creation and maintenance of a university of the first class. Our faculty and staff work hard every day to fulfill that fundamental charge. We are proud of the confidence Texans have in our 13 institutions, and we are grateful for the essential support the legislature provides. Our enrollment is the largest ever, and by almost every measure the UT System is more successful than it has ever been. And that growth and success has never been more critical and timely.

A college degree continues to be the gold standard for providing opportunity and for attracting, growing and creating businesses. There has never been a time when education beyond high school has

been more important. Almost 100 percent of all the new jobs created require it.

Is college worth it? I could cite the statistics that demonstrate that a college degree boosts earning power dramatically each year and throughout life. I could cite all the positives in non-financial social indicators that increase with educational attainment. But I have a simpler test I use with parents: Do you want your children to go to college? I have yet to meet one who did not. The reason is obvious; they want their children to have the best life possible. An affordable, accessible college degree is the greatest way to achieve economic and social mobility and a better life for graduates, their families and their communities.

Extending that opportunity to as many Texans as possible is central to our mission. It's also an important part of why businesses continue to be created here, move here and thrive here. We will need all the talented workers we can provide.

Texas is in an enviable position, but also a challenging one. We live in one of the fastest growing states in the U.S., one of the youngest and one of the most diverse. Our state's educational attainment rates are nothing to brag about, and unless we work together to improve those rates, our people will have less opportunity and Texas will be less

attractive to employers. That is the foundation for our legislative request this year.

Your support of higher education formula funds provides an equitable, consistent investment, and we appreciate that HB 1 maintains the rates for the formulas. We need to maintain affordability while providing the world-class educational opportunities that we are known for.

Understanding the struggle faced by many families, we have not raised tuition during the last two years – but costs continue to rise for our institutions just as they do for all Texas businesses and families. Texas tuition rates continue to be in the bottom half of public universities nationally, as does the debt carried by our graduates.

Our Regents Promise Plus program, with an endowment of almost \$500 million, makes it possible to charge no tuition and mandatory fees to tens of thousands of Texans attending our campuses. The best example is at UTRGV, where students from Texas families of \$125,000 income and below pay no tuition and mandatory fees, which covers 90 percent of the families in south Texas. And we have joined with all of public higher education in Texas on a proposal to make sure that affordability continues even in times of record inflation.

When the Texas chancellors appeared before the House Appropriations Committee in September, we were asked if there was a level of state support we could propose that would eliminate the need to increase tuition and fees for Texas undergraduates.

We worked together to calculate the state investment for all of public higher education in Texas that would allow us to continue to freeze tuition over the next biennium for resident undergraduates. That is four years of no increases for Texas families. The proposal includes: (1) the increase in the formulas recommended by the coordinating board, (2) fully funding the legacy component of the Hazlewood program, (3) restoring funding for higher education group insurance to treat us the same as other state agencies, and (4) continuing support for the comprehensive regional universities you provided last session.

This proposal, in conjunction with financial aid through federal Pell grants, the state's TEXAS Grant program and the Regents' Promise Plus commitment would make a huge difference in guaranteeing an affordable higher education degree for this next generation of Texas college students. We are very grateful that the House included an intent rider addressing this plan in HB1.

Our institutions' research expenditures total \$3.8 billion, and our federal research expenditures are the largest in the state and second largest in the country. This helps drive innovation and business creation. This research results in a new patent issued every 1.4 days on average, or 253 new patents in 2021. We executed 342 licenses and options, and 26 new start-up companies were formed from UT System faculty intellectual property last year. UT institutions are among the most innovative in the world – ranked number three globally for most patents granted in 2021.

Research-based formula funding is especially key to the future of UT Austin as one of the state's flagship universities, as well as to the continued growth and success of the four growing research universities in Arlington, Dallas, El Paso and San Antonio.

Investment in the Research Enhancement Formula and the mission-specific formulas for the health-related institutions will spur research and discovery and the subsequent commercialization of intellectual property. We appreciate the work done in HB 1 to maintain the rates of the research formulas.

The UT System supports each of our institutional requests for non-formula funding and exceptional items to support a range of critical activities across the state.

Finally, I want to thank you for your dedication to improving mental health in the state of Texas through the Texas Child Mental Health Care Consortium and additional funding for state hospitals.

Improving mental health on our campuses has been a priority for the UT System Board of Regents, and I hope to work with you on ways the state can also support our students in this way.

I know the legislature will have many priorities to address this session, and I appreciate your ongoing commitment to higher education.

I would be pleased to respond to any questions.