

*Higher Education in the 21<sup>st</sup> Century*  
Sam Houston State University  
March 29, 2006

Good afternoon, ladies and gentlemen. It is an honor to be with you and to share in your educational experience.

Earlier this morning, I had the privilege of participating in a Banking class and found the students' presentations outstanding. It is rare that I am able to see your work first hand, though I hear from the faculty and administrators that you are excelling in all your endeavors.

Last December, I spoke at the graduation ceremony here at Sam Houston State and thoroughly enjoyed seeing your counterparts celebrating the completion of their degrees. Keep the faith that that moment will come for you in the not too distant future.

It is always a pleasure for me to visit this campus. Sam Houston State University is an incredible resource for the State of Texas. In fact, this institution has many bragging points that I would like to highlight for you.

A large number of you thought that attending Sam Houston State University was a good idea. The fall 2005 enrollment well exceeded 15,000 people, representing a 7% increase in the student population from the previous fall, which makes this the fourth year in a row of record enrollment for the university. Moreover, Sam Houston State's growth accounted for 25% of the

total enrollment increase for the 34 public universities in Texas, thus becoming the fast growing university in the state.

In addition, students enrolling at Sam Houston State have SAT scores that are above both the state and national average. Minority student enrollment is increasing as are the retention rates for students moving from their freshman to sophomore year are increasing.

In addition, the institution is a state leader in admitting community college transfer students and assisting those individuals in obtaining a 4 year degree. You are doing such a good job in this area that you serve as the model for many other institutions.

In order to keep class sizes small, the institution is striving to keep the student to faculty ratio low. At present, the student to faculty ratio is 22 to 1; the same as when the institution opened in 1879 with 110 students and 5 faculty. In the last two years, Sam Houston State University has added 90 new faculty members in order to meet the needs of the growing student population.

The Student Advising and Mentoring Center, also called the SAM Center, received the 2005 Outstanding Institutional Advising Program Award sponsored by the National Academic Advising Association. It was one of only six such programs in the country to receive this award. Its success has meant that students are able to receive the help they need in order to accomplish their educational goals.

Sam Houston State has many exceptional programs. Musical Theatre, Criminal Justice, Educational Leadership and Dance are all nationally ranked academic programs.

The faculty are highly accomplished. Dr. Jim Olson, Professor of History won the prestigious Texas Professor of the Year sponsored by the Carnegie Foundation.

In the last two years, two Piper Professor Awards have been bestowed on your faculty members: Dr. Caroline Castillo Crimm in History and Dr. Vic Sower in Business.

The Chair of Banking, Dr. Jim Bexley, was elected to the Board of Directors of the Federal Reserve Board in Dallas in 2005.

All of these elements add up to a great educational experience for those fortunate enough to enroll here at Sam Houston State. You should be very proud of your campus and your own accomplishments as students.

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As Chancellor of The Texas State University System, I work hard to ensure your success by assisting this institution and the other 8 institutions within the System in using the state's resources as well as your resources in the most efficient manner possible. I take my job very seriously since I believe that higher education is the greatest need of the State of Texas.

Dr. Steve Murdock, the state demographer, is assisting policy-makers in preparing for the future by making projections of Texas' population through the year 2040. At present, Texas has roughly 21 million residents. This number is expected to increase to

somewhere between 35 and 50 million by 2040 with the largest increases being among non-Anglo populations, particularly Hispanics.

Using Murdock's projections, the Texas Higher Education Coordinating Board has plotted the impact of this growth on colleges and universities. Their estimations have been published in a report titled, *Closing the Gaps*.

The Coordinating Board has calculated that Texas needs to increase the participation rate in higher education from the current rate of 5 percent of the state's population to 5.7 percent by the year 2015.

Achieving this goal requires an additional 630,000 students to enroll colleges and universities, a more than 50 percent increase in our current rate.

Putting that in perspective, that is roughly 41 institutions the size of Sam Houston State University.

Of the 630,000 new students needed, half will be the first in their families to attend college and most will be from populations historically underrepresented in higher education.

Compounding the problem is the relatively low rate of college-degree and credential completion. Nationally, only 68 percent of ninth graders graduate from high school in 4 years and only 18 percent complete an associate's degree within 3 years.<sup>1</sup>

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<sup>1</sup> The National Center for Public Policy and Higher Education, "The Need for State Policy Leadership," *State Capacity for Higher Education Policy: A Special Supplement to National Crosstalk*, July 2005.

For those seeking a bachelor's degree, only 34 percent graduate in 4 years and 56 percent in 6 years.<sup>2</sup> In Texas, 1/3 of all students who enter high school never graduate and 1/3 of all students who go on to college require remedial courses.<sup>3</sup>

A large gap exists among ethnic groups in both enrollment and graduation rates from the state's colleges and universities. This is particularly challenging since the groups with the lowest enrollment and graduation rates will constitute a larger proportion of the Texas population in the future.

If the gap in the participation and graduation is not closed, Texas will have proportionately fewer college graduates. This means the difference between Texas being a wealthy versus a poor state. If educational levels are not increased among the growing Texas population, the average family income could drop by \$6,500 and the state's status in the global marketplace will deteriorate.

The Texas Higher Education Board's plan presents an enormous economic challenge to the state since it will cost approximately \$20 billion to fulfill its goals. Finding the funds to meet these educational needs is a tremendous challenge, particularly since the need for education is out pacing the state's tax base.

State legislators have been very generous to higher education. During the last session, state officials significantly increased financial aid and funding to

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<sup>2</sup> "Lessons for the States on the 'Expectations' Gap," *The Chronicle of Higher Education*, March 10, 2006, p. B42.

<sup>3</sup> Testimony from the Texas Senate Select Committee on Education Reform and Education Finance, January 2006.

higher education. This is despite the fact that state officials have greater financial demands in other areas: health-care, public schools, prisons and so forth.

In particular, I am grateful to the state officials who fought for the needs of this campus. Senator Ogden, as Chairman of the Senate Finance Committee, was instrumental in watching out for this institution and provided valuable feedback regarding institutional priorities.

Representative Lois Kolkhorst, as Chair of the House Appropriations Working Group on Education, has spent countless hours to improve funding for all of higher education, with a particular eye on Sam Houston State University.

Representative Glenda Dawson, who was recently named a distinguished alumna of this institution, has communicated the needs of this area eloquently. She is a jewel in the House of Representatives and reminds her fellow legislators of the needs of this institution.

Funding higher education is a complicated issue, particularly since legislators do not have a good measure to determine a sufficient amount of funding for colleges and universities.

The state constitution speaks to the proper funding for K-12 education, though that is in dispute right now, but it does not address the proper level of funding for higher education. Therefore, legislators are in a difficult position to know how much money is enough.

My belief is that while *Closing the Gaps* requires a large amount of revenue, the only thing more expensive than educating students is not educating students. The actions we take in the next 5 to 10 years will decide the future for generations of Texans to follow.

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With limited funds available, institutions are faced with difficult choices. Sources of funding for higher education are provided through state appropriations, federal grants and research revenues, outside donations, and charges to students through tuition and fees.

Unfortunately, students and their families have had to bear a greater portion of the cost of education. In the last 20 years, the cost of going to college has risen at twice the rate of inflation, making it difficult for both the poor and middle class to maintain strong college going rates.

As Chancellor, one of my daily goals is to find ways to keep tuition and fees to the lowest possible cost in order to provide greater opportunity for all potential students. This is not easy and requires that some difficult decisions be made.

One way in which the System is working to further decrease costs to students is by creating a Chancellor's Council. This Council will be composed of individuals, who will provide support and input, so that I can do a better job of managing and promoting the System. With the help of these individuals, I hope to

raise money to shore up the System resources to provide greater assistance to the component institutions.

The first contribution to this effort was given last fall and we have since been working to develop a list of charter members, who believe in the work of The Texas State University System. My feeling is that these individuals, who support the educational vision for Texas, will surely support one of the state's leading educational institutions and its students.

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The challenges facing Texas higher education in the 21<sup>st</sup> century are great. We have a complex system of education, which is being stretched to the limits because of the growing population.

Let me take some time now to present to you a few of the most pressing issues in Texas higher education.

The first has to do with two barriers to higher education: finances and academic preparation.

As I have stated, I am very concerned about keeping college costs to a minimum.

The major charges directly associated with college enrollment are tuition and fees. In 2003, the Texas Legislature passed a measure allowing the Board of Regents to set tuition prices. Since that time, Board members have struggled to

set tuition prices that meet the financial needs of their institution while also minding the expense to the students and their families.

A large amount of financial aid has been provided to assist in paying college prices. According to Kenneth Redd, Director of the National Association of Student Financial Aid Administrators, need-based grants have increased 110 percent from \$18.6 billion in 1994 to \$39.1 billion in 2004. Merit-based aid has increased by 508 percent from \$1.2 billion in 1994 to \$7.3 billion in 2004.<sup>4</sup>

In Texas, over \$657 million will be available through the state's five main financial aid programs. This is an increase of more than \$171 million or 35 percent over the current biennium.<sup>5</sup> Here at Sam Houston State, over \$5.1 million in scholarships has been provided above and beyond other state and national financial aid programs.<sup>6</sup>

Even with these large amounts of financial aid, college affordability is still an issue for many students and their families.

Another cost to students that has become onerous is textbooks. This has become a concern at the federal level since textbook prices are averaged in order to calculate the amount of financial aid a student receives.

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<sup>4</sup> "Cost Remains a Key Obstacle to College Access," *The Chronicle of Higher Education*, March 10, 2006, p. B51.

<sup>5</sup> "Summary of Higher Education Legislation: 79<sup>th</sup> Texas Legislature," Texas Higher Education Coordinating Board, <http://www.thecb.state.tx.us/reports/PDF/0857.PDF>

<sup>6</sup> Information provided from the Sam Houston State University Office of the President.

In the 2003-2004 academic year, college and university students spent over \$6 billion to purchase textbooks.<sup>7</sup>

A study conducted by the U.S. Government Accountability Office found that in the last two decades, college textbook prices have increased at twice the rate of inflation. From December 1986 to December 2004, textbook prices nearly tripled, increasing by approximately 6 percent each year.

This means that textbook prices have increased a total of 186 percent between 1986 and 2004, at the same time tuition and fees increased by 240 percent and overall prices due to inflation increased by 72 percent.<sup>8</sup>

As an example of our efforts to hold back costs, the students and faculty here at Sam Houston State are working together to learn more about the dramatic increases in textbook prices. From their work, we hope to formulate policies to ease the rising costs of textbooks and assist students not only at other institutions in The Texas State University System, but throughout the state.

Academic preparation has become an issue as more and more college students find themselves unable to complete the rigorous studies demanded in college courses. There is a disconnect between the standards that elementary and secondary schools require and that of what college faculty expect.

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<sup>7</sup> National Association of College Stores, *2005 College Store Industry Financial Report* (Oberlin, Ohio: 2005).

<sup>8</sup> U.S. Government Accountability Office, *College Textbooks: Enhanced Offerings Appear to Drive Recent Price Increases*, July 2005, <http://www.gao.gov/new.items/d05806.pdf>

A survey conducted for *The Chronicle of Higher Education* found that high school teachers and college faculty members varied greatly on the appropriate level of college preparation for students.

Only 6 percent of college faculty members felt that students were well-prepared writers compared to 36 percent of high school teachers who thought students were well-prepared writers.

Likewise, 37 percent of high school teachers said that students were well prepared in math compared to only 4 percent of faculty members.<sup>9</sup>

This is the case in most states. A standardized definition for college readiness does not exist and this is one of the major challenges faced in higher education as the public schools and institutions of higher education work together to align the preparation and expectations between high school and college.

Aligning the curriculum also means developing a rigorous high school curriculum. A study recently released by the U.S. Department of Education found that a rigorous high school curriculum is the best indicator of whether or not a student will be successful in college.<sup>10</sup>

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<sup>9</sup> "A Perception Gap Over Students' Preparation," *The Chronicle of Higher Education*, March 10, 2006, p. B9.

<sup>10</sup> "The Toolbox Revisited: Paths to Degree Completion From High School Through College," U.S. Department of Education, 2006, <http://www.ed.gov/rschstat/research/pubs/toolboxrevisit/index.html>

Another challenge has to do with the process by which students apply for college. First-generation students, which some of you may be, do not have the knowledge of their parents to assist them in the application process.

The Texas Common Application, which is used by all colleges and universities in Texas, is now being developed to allow students to apply to any community college as well. In this way, we are breaking down barriers to college by providing one application for any institution within the state.

Taking this a step further, I am working to make sure that students are able to transfer seamlessly between any community college and our System institutions. It is the model established here at Sam Houston State that we are following.

One of the greatest areas of need in the near future is for faculty. The Coordinating Board published a report calling for the addition of 17,000 new faculty across the state to teach the large number of incoming students. Additionally, more faculty are needed to replace the large number of faculty who will be retiring. Since underrepresented faculty are by definition in short supply it is also important to compete with out of state institutions for these individuals.

As a System, we are working on an initiative, called the *Grow Your Own Program* that will diversify our faculty to a greater extent so that students from underrepresented groups feel more at home on campus and have access to mentors who will serve as role models.

Achieving a diverse faculty is not an easy task. National trends show that too few individuals from underrepresented populations obtain doctoral degrees. Of the almost 41,000 individuals completing their doctoral degrees nationally, only 19 percent represent underrepresented populations. African-Americans represented 4%, Hispanic represented 3%, Asians represented a little over 3% and Native Americans represented less than 1% of the total.

In certain fields of study, U.S. citizens are making up a smaller portion of graduates. For instance, 63% of all doctorates in engineering are earned by non-U.S. citizens primarily from Asia<sup>11</sup>. With the demand for engineers high and the large number of engineers nearing retirement, it is imperative that Texas graduate enough doctoral students to maintain a vital workforce.

Through the *Grow Your Own Program*, individuals from underrepresented groups are supported in completing their doctoral degrees from an accredited university, which may or may not be an institution in The Texas State University System. While completing their doctoral degrees, they will also teach at one of the Texas State University System component institutions.

The Texas State University System will pay for all the participant's tuition and fees and they will receive a salary of approximately \$3,000 per month.

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<sup>11</sup> National Science Foundation, Division of Science Resources Statistics, *Science and Engineering Doctorate Awards: 2003*, NSF 05-300, Project Officer, Joan S. Burrelli (Arlington, VA 2004). <http://www.nsf.gov/statistics/nsf05300/htmstart.htm>

The total "in-kind" contributions from the institutions will average 84 percent (\$216,000) of the total cost with the remaining 16 percent (\$40,000) paid through gifts and donations. In this way, both the institutions and the donors are contributing to make this program a success.

Once the participant has completed their doctoral degree, they will continue teaching in one of the System's component institutions.

This program benefits everyone. Participants earn a doctoral degree while receiving practical teaching experience that will lead to a tenure-track position in one of our System institutions. The students they teach will have mentors with whom they can identify, and thus, feel more at home on the college campus.

For those donating funds, this program provides the opportunity to invest not only in the life of a doctoral student, but the lives of thousands of students whom participants will teach over their academic career.

Many of you are interested in a provision which passed in the last Texas Legislative Session, adding a student regent to each of the state's public university and system governing boards. Frank Bartley, an undergraduate at Texas State University, was selected by the Governor to serve at The Texas State University System.

This is a tremendous opportunity for both the student to learn about the oversight of a system and for the Board of Regents and the System administration

to learn from the student representative. Applications will be available next fall in President Jim Gaertner's office. I hope some of you will consider applying.

In addition to the student regent, there is a Student Advisory Board, composed of individuals from each of the nine System component institutions, including Sam Houston State, which advises the Board of Regents on issues relevant to students. You can find out more about this group from the Sam Houston State University Student Government Association.

It is important for us to hear from students and to find ways to enhance your educational experience.

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Texas has a long tradition of education. The 1836 Texas Declaration of Independence stated that "unless a People are educated and enlightened, it is idle to expect the continuance of civil liberty, or the capacity for self-government."<sup>12</sup>

From the beginning, the founding Fathers and Mothers of Texas understood the importance of an educated mind. Over the years, the state has experienced a number of educational challenges, but risen to the occasion in every instance.

I have laid out for you some of the educational difficulties facing Texas. These are not new problems and I am confident that we will meet every

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<sup>12</sup> Texas Declaration of Independence, Declaration of Independence by the Republic of Texas, 1836, <http://tarlton.law.utexas.edu/constitutions/text/CdDecl.html>

challenge. You are the future of Texas and its most valuable resource. Continue on your path to success. I am proud of you and look forward to hearing great things about your accomplishments.

May God bless you and may God continue to bless the Great State of Texas!

*[Allow time for questions...]*