



INDEPENDENT COLLEGES AND UNIVERSITY OF TEXAS, Inc. (ICUT)

Supporting Texas independent nonprofit colleges and universities by strengthening member institutions through advocacy, policy research, and collaboration.

January 2017

Independent Colleges and Universities of Texas, Inc. (ICUT)
1303 San Antonio Street, Suite 820
Austin, Texas 78701
512-472-9522

www.icut.org

The Members Of Independent Colleges and Universities of Texas

Abilene Christian University	Abilene
Amberton University	Garland
Austin College	Sherman
Baylor College of Medicine	Houston
Baylor University	Waco
Concordia University Texas	Austin
Dallas Baptist University	Dallas
East Texas Baptist University	Marshall
Hardin-Simmons University	Abilene
Houston Baptist University	Houston
Howard Payne University	Brownwood
Huston-Tillotson University	Austin
Jacksonville College	Jacksonville
Jarvis Christian College	Hawkins
LeTourneau University	Longview
Lubbock Christian University	Lubbock
McMurry University	Abilene
Our Lady of the Lake University	San Antonio
Parker University	Dallas
Rice University	Houston
St. Edward's University	Austin
St. Mary's University	San Antonio
Schreiner University	Kerrville
Southern Methodist University	Dallas
Southwestern University	Georgetown
Southwestern Adventist University	Keene
Southwestern Assemblies of God University	Waxahachie
Texas Christian University	Fort Worth
Texas College	Tyler
Texas Lutheran University	Seguin
Texas Wesleyan University	Fort Worth
Trinity University	San Antonio
University of Dallas	Irving
University of the Incarnate Word	San Antonio
University of Mary Hardin-Baylor	Belton
University of St. Thomas	Houston
Wayland Baptist University	Plainview
Wiley College	Marshall
Paul Quinn College (Affiliate Member)	Dallas



Independent Colleges and Universities of Texas (ICUT)

- ICUT membership includes 37 independent, nonprofit, regionally-accredited colleges and universities, as well as the Baylor College of Medicine, a top-tier national, private medical school located in the Texas Medical Center (Houston).
- Of the nearly 1.5 million students enrolled in postsecondary education in Texas, **125,416** were enrolled at ICUT-member institutions, representing about **9 percent** of all postsecondary enrollment in Texas and approximately **17 percent** of enrollment in all four-year institutions of higher education (public and private).
- All members of ICUT meet the same accreditation standards as state universities, community colleges, and public health science and law schools.
- Approximately 75% of students enrolled in independent institutions are Texas residents.
- In FY 2012, the ICUT institutions provided over \$846 million in institutional (non-governmental) financial assistance to their students, **over 7 times the amount appropriated for the Tuition Equalization Grant program.**

MISSION STATEMENT

ICUT supports Texas independent nonprofit colleges and universities by strengthening member institutions through advocacy, policy research, and collaboration.

Specifically, our programs help our member institutions:

- advance educational opportunities for **students**,
- address financial needs of **families**,
- promote economic opportunities for **communities**,
- foster relationships with **businesses**, and
- inform and advise **policymakers**.

VISION STATEMENT

ICUT will continue to be an integral, vibrant, and sustainable component of the higher education landscape in Texas and will champion the diverse traditions, approaches, and populations of our member institutions.

The higher education system in Texas is made stronger by including Texas independent, regionally-accredited, nonprofit colleges and universities.



The TEG Program

In 1971, the Texas Legislature created the Texas Tuition Equalization Grant (TEG) Program to:

- Reduce taxpayer costs for higher education by providing limited financial assistance to needy low- and middle-income Texas students attending Texas independent institutions of higher education;
- Help bridge the tuition gap between lower priced state universities and independent institutions;
- Assist students whose financial circumstances limit their college opportunities;
- Encourage independent institutions to expand and continue sharing the task of educating a rapidly growing student population; and
- Strengthen independent institutions by helping them maintain ethnically and economically diverse student bodies.

Who Receives TEG?

Family Financial Background

- Students who receive Pell grants are the neediest students enrolled in higher education. In FY 2015, 59% of TEG students were Pell grant recipients. Their average family income was \$27,554.
- The average income of TEG recipients who do not receive Pell grants is about \$66,225; students with “higher” incomes may qualify for TEG because their families are exceptionally large or because of recent financial reverses from death, disability, or unemployment.
- The overall average family income of TEG recipients is about \$43,503.

Racial and Ethnic Diversity

- 34.0% Hispanic
- 15.1% African American
- 36.9% White
- 4.6% Asian American
- 9.4% Unknown

Student Classification

88% of TEG students are undergraduates
12% of TEG students are graduate/professional students



Who is Eligible for a TEG?

To be eligible for a TEG, a student must:

- Be a qualified Texas resident meeting the conditions for paying public Texas resident tuition;
- Establish financial need as required by the Texas Higher Education Coordinating Board;
- Not receive any form of athletic scholarship while receiving TEG;
- Be enrolled at least three-quarter time at an approved Texas independent institution; and
- Earn 24 Semester Credit Hours (SCH) per year while maintaining a 2.5 GPA.

TEG and Demonstrated Need

Demonstrated student need for TEG exceeded **\$182.7 million** in FY 2015. The TEG appropriation for 2015 met **52.6% of TEG need**.

How Taxpayers Benefit from TEG

TEG reduces taxpayer costs for higher education by providing limited financial assistance to needy Texas students attending Texas independent institutions of higher education. Degrees produced by independent institutions cost the taxpayers about 8% of the cost of degrees produced by public institutions.*

For FY 2015, the average TEG of \$3,314 saved the state about 51% of the estimated taxpayer appropriation of \$6,500 for each full-time student enrolled at a state university.

In FY 2015, if TEG recipients had enrolled at state universities, Texas taxpayers would have paid more than \$177.5 million, or nearly twice the appropriation for TEG.

If Texas public institutions had to absorb TEG students without additional funding, the result would be larger classes, increased demand for libraries and technology, a lower percentage of students able to access the classes they need, reduced timely graduation and so on. In short, public higher education would face increased burdens and reduced quality.

*Source: IPEDS Completion Data 2011 and State Higher Education Finance FY11



How Needy Students Benefit from TEG

In FY 2015, \$96.2 million in TEG funds aided **27,314** Texas dependent and independent students with an average TEG of \$3,314. These students had:

- Average Adjusted Gross Income (AGI) of \$43,500 (both dependent & independent students);
- Average college expenses of \$40,848; and
- Average student need of \$36,844.

About 46% of TEG students came from families with an Expected Family Contribution (EFC) of \$1000 or less and were eligible for a larger TEG because of “exceptional” need. Their average grant was \$3,755 while students with “ordinary” need received an average grant about \$2,919.

Performance of Students at ICUT Institutions and Tuition Equalization Grant (TEG) Recipients

Retention of TEG Recipients after the First Academic Year

Retaining students from their first to second year in college is a key predictor for graduation. Since Fall 2003, ICUT and the Texas Higher Education Coordinating Board have tracked the persistence of TEG recipients from their first to their second year.

- The retention rate for TEG students returning to their original institution for their second year has hovered at about 70 percent.
- The retention rate including those TEG students who transfer to other institutions has consistently been about 85 percent.



Graduation Rates of ICUT Institutions and TEG Recipients

Program	4 - Year Graduation Rate	5 - Year Graduation Rate	6-Year Graduation Rate
Fall 2004 Institutional	42.0%	60.3%	65.3%
Fall 2004 TEG	34.7%	52.8%	59.0%
Fall 2005 Institutional	42.5%	61.1%	65.8%
Fall 2005 TEG	35.4%	52.6%	58.4%
Fall 2006 Institutional	45.2%	61.7%	66.0%
Fall 2006 TEG	36.4%	53.5%	58.8%
Fall 2007 Institutional	43.3%	60.2%	64.5%
Fall 2007 TEG	35.5%	52.7%	58.1%
Fall 2008 Institutional	44.1%	61.0%	65.6%
Fall 2008 TEG	35.4%	52.9%	59.0%
Fall 2009 Institutional	44.2%	59.7%	64.0%
Fall 2009 TEG	37.0%	52.6%	58.1%

*Source: *Texas Higher Education Coordinating Board.*



The TEG Program Produces Positive Outcomes

- **TEG reduces taxpayer costs for higher education by providing limited financial assistance to needy Texas students attending Texas independent institutions of higher education.**
 - ✓ For FY 2015, the average TEG of \$3,314 saved the state about 50% of the estimated taxpayer appropriation of \$6,500 for each full-time student enrolled at a state university.
 - ✓ In FY 2015, if TEG recipients had enrolled at state universities, Texas taxpayers would have paid more than \$177.5 million, nearly twice the appropriation for TEG.

- **TEG helps bridge the tuition gap between lower priced state universities and independent institutions.**
 - ✓ In FY 2015, TEG provided 27,314 students average grants of \$3,314 (the maximum allowed was \$4,750).
 - ✓ In FY 2017, average state university tuition was \$9,566; average tuition at an independent institution was \$26,774 per year. Not even the maximum TEG makes up the difference between the two.

- **TEG helps students whose financial circumstances limit their college opportunities.**
 - ✓ Students who receive Pell grants are the neediest students enrolled in higher education. In FY 2015, nearly 59% of TEG recipients also received Pell grants.
 - ✓ The average family income of TEG recipients who do not receive Pell grants is \$66,225; TEG recipients with higher family incomes qualify because of exceptional family or financial circumstances changed by death, disability, or unemployment.
 - ✓ The overall average family income of TEG recipients is about \$43,500.



- **TEG has encouraged independent institutions to expand and continue to assume their share of the burden of educating a growing student population.**
 - ✓ In 1971, when the TEG was created, ICUT institutions enrolled 74,685 students; in the most recent academic year, approximately 125,000 were enrolled, a 67% increase.
 - ✓ For over 40 years TEG has helped independent institutions maintain a reasonable share of the Texas higher education market.

- **TEG has strengthened independent institutions by helping them maintain economically and ethnically diverse student bodies.**
 - ✓ In Fall 1982, 16.9% of ICUT's enrollment were minority students; in Fall 2015, that percentage has increased to nearly 50%.
 - ✓ In FY 1982, about 29% of TEG recipients were minority students; in FY 2015, nearly 55% of TEG recipients were minority students.

Tuition Equalization Grant Program (TEG)

TEG – Who is Eligible?



- **Must be a qualified Texas resident meeting the conditions for paying public Texas resident tuition.**
- **Must establish financial need as required by the Texas Higher Education Coordinating Board.**
- **Be enrolled at least three-quarter time at an approved Texas independent institution of higher education.**
- **Earn 24 Semester Credit Hours (SCH) per year while maintaining a minimum 2.5 G.P.A.**
- **Not receive any form of athletic scholarship while receiving TEG.**

TEG – Working for ALL Texans



- **Over 72% of TEG recipients are from a family with average yearly income of \$51,000 or less.**
- **TEG helps students with the greatest financial need. Approximately 59% of current TEG recipients also receive a Pell Grant.**
- **TEG helps meet Texas' increasing demand for higher education without additional formula funding or other state investments in personnel, benefits or infrastructure.**
- **Current TEG funding levels serve only 59% of eligible students at Texas independent institutions of higher education.**



Demonstrating the Collective Economic Value of Texas' Independent Colleges and Universities¹

In Fiscal Year (FY) 2013, ICUT member institutions spent **\$1.9 billion** on payroll and benefits for **26,834** full-time and part-time employees, and spent another **\$1.5 billion** on goods and services to carry out their day-to-day operations and research.

In FY 13, payroll and operations spending of Texas' independent colleges and universities, together with the spending generated by their students, visitors, and human capital creation, created **\$18.5 billion** in added income to the Texas economy. The added state income created by the member institutions of ICUT is equal to approximately **1.4%** of the total Gross State Product of Texas, and is equivalent to creating **281,395** new jobs.

These economic impacts break down as follows:

Operations Spending Impact

- Payroll and benefits to support day-to-day operations (less research activities) of the ICUT member institutions amounted to **\$1.8 billion**.
- The net impact of the institutions' operations spending in Texas during the analysis year was approximately **\$2.6 billion** in added state income, which is equivalent to creating **34,465** new jobs.

Research Spending Impact

- Research activities of ICUT's member institutions impact the state economy by employing people and making purchases for equipment, supplies, and services. They also facilitate new knowledge creation throughout Texas through inventions, patent applications, and licenses. In FY13, the institutions spent **\$81.3 million** on payroll to support research activities.
- Research spending of ICUT's member institutions generated **\$192 million** in added state income for the Texas economy, which is equivalent to creating **2,871** new jobs.

¹ Source: This report was commissioned by the Independent Colleges and Universities of Texas and was conducted by *Economic Modeling Specialists International* (EMSI). The full report is available from ICUT.



Student Spending Impact

- Around **17%** of graduate and undergraduate students attending the ICUT member institutions in FY 13 originated from outside the state. Some of these students relocated to Texas and spent money on groceries, transportation, rent, and so on at businesses in the state.
- The expenditures of students who relocated to the state during the analysis year added approximately **\$257.3 million** in state income for the Texas economy, which is equivalent to creating **5,272** new jobs.

Visitor Spending Impact

- Out-of-state visitors attracted to Texas for activities at ICUT's member institutions brought new dollars to the economy through their spending at hotels, restaurants, gas stations, and other businesses in the state.
- Visitor spending added approximately **\$113.3 million** in state income for the Texas economy, which is equivalent to creating **2,508** new jobs.

Human Capital Impact

- Over the years, students have gained new skills, making them more productive workers, by studying at the ICUT member institutions. Today, hundreds of thousands of these former students are employed in Texas.
- The accumulated contribution of the human capital embodied in former students employed in the Texas workforce amounted to **\$15.3 billion** in state income added to the Texas economy, which is equivalent to creating **236,280** new jobs.



Institutions Participating in the TEG Program And TEG Allocations for Fiscal Year 2016*

Abilene Christian University	\$3,404,892
Austin College	1,485,136
Baylor University	10,421,022
Concordia University Texas	2,863,666
Dallas Baptist University	3,776,656
East Texas Baptist University	1,728,315
Hardin-Simmons University	2,022,333
Houston Baptist University	2,506,897
Howard Payne University	1,398,428
Huston-Tillotson University	2,066,502
Jacksonville College	456,127
Jarvis Christian College	907,460
LeTourneau University	2,156,031
Lubbock Christian University	1,953,111
McMurry University	1,376,464
Our Lady of the Lake University	3,204,253
Parker University	776,417
Paul Quinn College	327,167
Rice University	2,328,973
St. Edward's University	4,782,238
St. Mary's University	4,500,098
Schreiner University	1,670,378
• South Texas College of Law	659,847
Southern Methodist University	4,995,277
Southwestern Assemblies of God University	1,486,500
Southwestern Christian College	81,769
Southwestern University	1,609,778
• Texas Chiropractic College	213,043
Texas Christian University	4,223,179
Texas College	1,029,454
Texas Lutheran University	1,607,101
Texas Wesleyan University	2,135,362
Trinity University	1,580,006
University of Dallas	1,324,874
University of the Incarnate Word	7,376,785
University of Mary Hardin-Baylor	4,277,140
University of St. Thomas	2,956,875
Wayland Baptist University	2,244,310
Wiley College	1,481,912
Total	\$96,151,976

*Source: Texas Higher Education Coordinating Board
• Institution is not a member of ICUT



ICUT

INDEPENDENT COLLEGES & UNIVERSITIES OF TEXAS